

WEST RIDGE MINE

007/041

INCIDENTAL BOUNDARY CHANGE (10.33 ACRES)

FEDERAL LEASE UTU-78562 MODIFICATION

SUBMITTED: JUNE ²⁷~~20~~, 2011

File in:

- Confidential
- Shelf
- Expandable

Date Folder 06/28/11 CI 0070041

Guoming

C/007/041 Incoming

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WEST RIDGE
RESOURCES, INC.

P.O. Box 910, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

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

June 27, 2011

Attn: Dana Dean
Associate Director

Re: West Ridge Mine C/007/041
10.33 Acre Incidental Boundary Change
Federal Lease Modification UTU- 78562

RECEIVED

JUN 28 2011

DIV. OF OIL, GAS & MINING

Dear Ms. Dean:

Enclosed are six clean copies of an Incidental Boundary Change (IBC) for the West Ridge Mine. Please note that the following language for the IBC application has been included in Chapter 1 (legal), Chapter 5 (engineering) and Chapter 7 (hydrology) of the MRP:

In reviewing this application please note the following:

- a) The IBC consists of a 10.33 acre parcel of federal lease UTU-78562 (recently acquired modification). The existing permit area is 7305 31 acres. Therefore, this IBC would increase the permit area by less than 0.14%
- b) Permit approval of mining in this IBC is necessary to allow the mine to continue longwall development in the newly acquired federal lease (modification) and the adjacent SITLA lease. This development is critical in order to allow the mine to continue production to meet existing coal-supply contracts. BLM has approved the R2P2 for longwall panel 23 in this area.
- c) At this location, mining would take place at a depth of 3,400' below the surface.
- d) There are no hydrologic issues or concerns associated with mining in this area.
- e) Surface and coal within this IBC area area both owned by BLM, leased to the company under federal lease utu-78562.
- f) There would be no surface disturbance associated with this IBC.
- g) The IBC area has been cleared by the archeologist report.
- h) The area has been surveyed for raptors, with no occurrence.
- i) The area has been included within a seep-and-spring survey.

Dana Dean
June 27, 2011
Page 2

A map of the IBC area is attached. Due to the critical timing associated with mine development with this area we request an expedited review of this IBC application. If you have questions or comments please contact me at (435) 888-4017.

Sincerely,

David Shaver
Resident Agent

APPLICATION FOR PERMIT PROCESSING

Permit Change
 New Permit
 Renewal
 Transfer
 Exploration
 Bond Release

Permit Number: C/007/041

Title of Proposal: 10.33 acre Incidental Boundary Change for Federal lease mod UTU-78562

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.

Yes No 1. Change in the size of the Permit Area? 10.33 acres Disturbed Area? _____ acres increase decrease.

Yes No 2. Is the application submitted as a result of a Division Order?

Yes No 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?

Yes No 4. Does application include operations in hydrologic basins other than as currently approved?

Yes No 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?

Yes No 6. Does the application require or include public notice/publication?

Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?

Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?

Yes No 9. Is the application submitted as a result of a Violation?

Yes No 10. Is the application submitted as a result of other laws or regulations or policies? Explain:

Yes No 11. Does the application affect the surface landowner or change the post mining land use?

Yes No 12. Does the application require or include underground design or mine sequence and timing?

Yes No 13. Does the application require or include collection and reporting of any baseline information?

Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?

Yes No 15. Does application require or include soil removal, storage or placement?

Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?

Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?

Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?

Yes No 19. Does the application require or include certified designs, maps, or calculations?

Yes No 20. Does the application require or include subsidence control or monitoring?

Yes No 21. Have reclamation costs for bonding been provided for?

Yes No 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?

Yes 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 - Name - Position - Date

Subscribed and sworn to before me this 20th day of JUNE 2011.

My Commission Expires

Notary Public

March 27, 2013



Notary Public
LINDA KERNS
Commission #578211
My Commission Expires
March 27, 2013
State of Utah

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

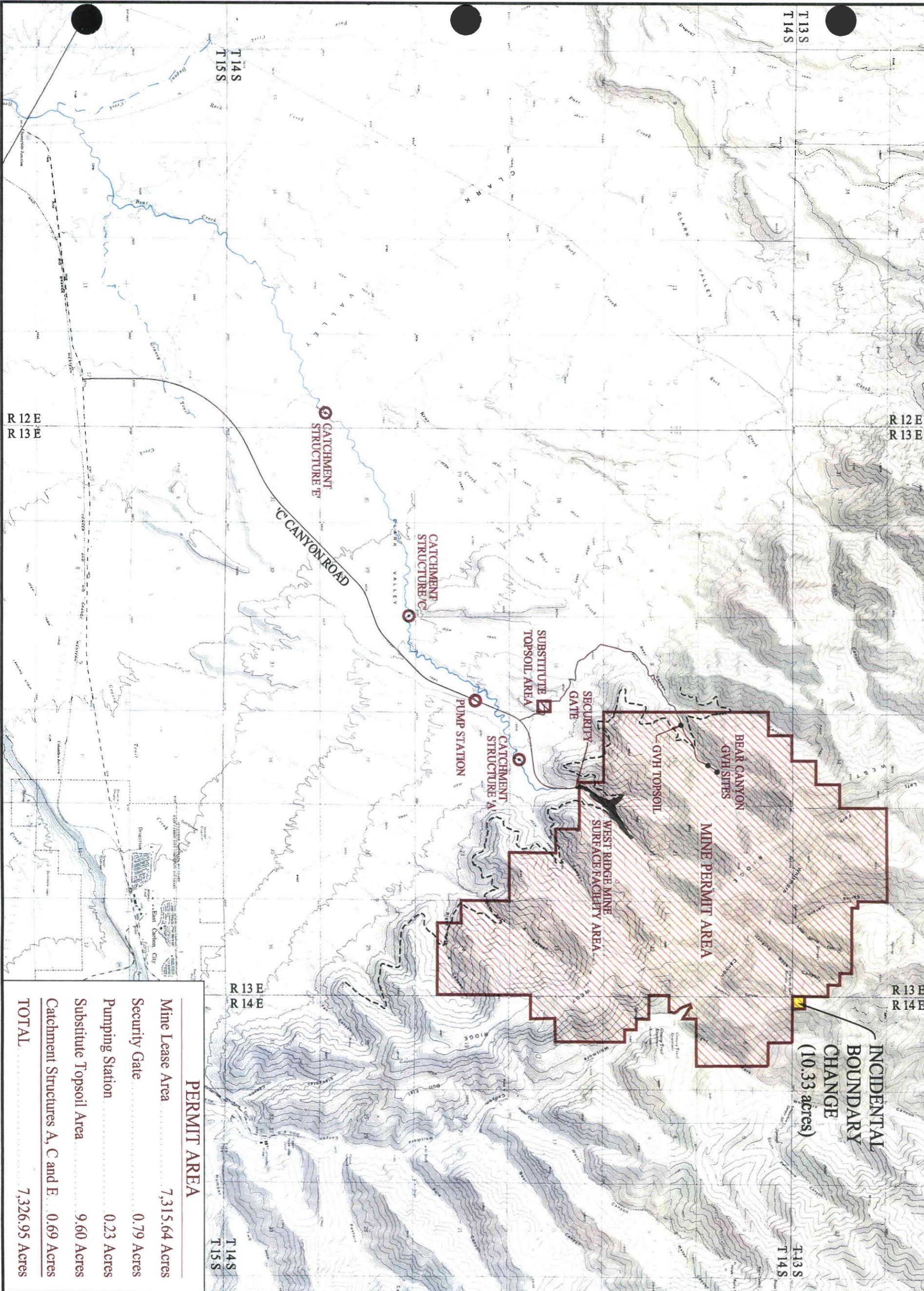
Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: 10.33 acre Incidental Boundary Change for Federal Lease Modification UTU-78562.	Permit Number: C/007/041 Mine: WEST RIDGE MINE Permittee: WEST RIDGE RESOURCES
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Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1: all pages (text)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 1-4 (Right of Entry):
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4B(a) lease UTU-78562
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	modification
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4F(a) Penton Creek fee lease
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4F(b) " " "
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	extension #1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4F(c) " " "
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	extension #2
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4G(a) Junkins fee lease
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4G(b) Marston fee lease
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 1-4G(c) Pagano fee lease
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 5 pg 5-10, 5-11, 5-29
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	App 5-3D 22P2 approval panel 23
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Maps: 1-0/1-1, 2-1, 3-1, 3-4A, 3-4B,
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	3-4C, 3-4D, 4-1, 4-2, 5-2,
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	5-3, 5-4A, 5-4B, 5-7, 6-1,
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	6-2, 6-3, 7-3, 7-5, 7-6, 7-7
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

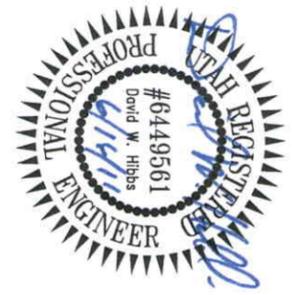


PERMIT AREA	
Mine Lease Area	7,315.64 Acres
Security Gate	0.79 Acres
Pumping Station	0.23 Acres
Substitute Topsoil Area	9.60 Acres
Catchment Structures A, C and E	0.69 Acres
TOTAL	7,326.95 Acres

WEST RIDGE MINE
 Map 1-0, Permit Map
 Map 1-1, Location Map

LEGEND:

- Lease Areas
- Surface Facility Area
- GVH Site
- Outcrop



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



SCALE: 1"=5000'

COVER LETTER.....C1/C2 FORMS

CHAPTER 1.....REPLACEMENT PAGES

~WEST RIDGE MINE - PERMIT APPLICATION PACKAGE~

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APPENDIX 1-1	Certifications, Verifications, Publications Attachment 1-1 Certificate of Liability Insurance Attachment 1-2 Newspaper Advertisement Attachment 1-3 Proof of Publication Attachment 1-4 Filing Fee Verification Attachment 1-5 Verification Statement
APPENDIX 1-2	Violation Information
APPENDIX 1-3	Reference List
APPENDIX 1-4	Proof of Lease Assignment
APPENDIX 1-4A	Federal Lease SL-068754, U-01215
APPENDIX 1-4B	Federal Lease UTU-78562
APPENDIX 1-4B(a)	Federal Lease UTU-78562 Modification
APPENDIX 1-4C	State Lease ML-47711
APPENDIX 1-4D	State Lease ML-49287
APPENDIX 1-4E	State Lease ML-51744
APPENDIX 1-4F:	Penta Creek Fee Lease, which includes
APPENDIX 1-4F(a)	Original Fee Lease
APPENDIX 1-4F(b)	Lease Extension #1, August 24, 2010
APPENDIX 1-4F(c)	Lease Extension #2, March 10, 2011
APPENDIX 1-4G:	Hinkins Fee Lease, which includes:
APPENDIX 1-4G(a)	David P. Hinkins 50%
APPENDIX 1-4G(b)	Emily P. Marston 25%
APPENDIX 1-4G(c)	Leonard J. Pagano 25%
APPENDIX 1-5	Current and Previous Coal Mining Permits
APPENDIX 1-6	Consultation and Coordination
APPENDIX 1-7	Ownership and Control
APPENDIX 1-8	Letter from Carbon County
APPENDIX 1-9	*****Deleted*****
APPENDIX 1-10	SITLA - Special Use Lease (Topsoil Borrow Area)

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(continued)**

APPENDIX 1-11	Material Deposit Special Use Lease Agreement
APPENDIX 1-12	Waterline/Pump House Right of Way
APPENDIX 1-13	Correspondence Regarding Security Gate
APPENDIX 1-14	*****Moved*****
APPENDIX 1-15	Legal Description of Grassy Trail Reservoir

**TABLE OF CONTENTS- MAP LIST
R645-301-100 CHAPTER 1**

MAP NUMBER	DESCRIPTION	SCALE
MAP 1-0	Permit Map	1" = 2000'
MAP 1-1	Location Map	1" = 2000'

R645-301-100 PERMIT APPLICATION REQUIREMENTS: GENERAL CONTENTS

SCOPE

The objective of this chapter is to set forth all relevant information concerning ownership and control of WEST RIDGE Resources, Inc., the ownership and control of the property to be affected by mining activities and all other information and documentation required under Part UMC.

R645-301-112 IDENTIFICATION OF INTERESTS

112.100 WEST RIDGE Resources, Inc. is a corporation organized and existing under the laws of Utah and qualified to do business in Utah.

112.200 The applicant, WEST RIDGE Resources, Inc. will also be the operator.

WEST RIDGE Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520
(435) 888-4000
David Hibbs - President

Employer Identification Number: 87-0585129

112.220 The resident agent of the applicant, WEST RIDGE Resources, Inc., is:

Dave Shaver
WEST RIDGE Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520

(435) 888-4000

112.230 WEST RIDGE Resources, Inc. will pay the abandoned mine land reclamation fee.

112.300 **Ownership and Control - See Appendix 1-7**

WEST RIDGE Resources, Inc. is the permittee and operator of the WEST RIDGE Mine. WEST RIDGE Resources, Inc. is a wholly owned subsidiary of ANDALEX Resources, Inc.. WEST RIDGE Resources, Inc. is a Utah corporation licensed to do business in the State of Utah. All leases associated with the WEST RIDGE Mine are owned by ANDALEX Resources, Inc. ANDALEX Resources, Inc, is a wholly owned subsidiary of UtahAmerican Energy Inc., which in turn is a wholly owned subsidiary of Murray Energy Corporation.

112.340 See Appendix 1-5

112.350 See Appendix 1-5

112.410 See Appendix 1-5

112.420 See Appendix 1-7

112.500 Surface Owners:

Bureau of Land Management
Utah State Office
136 East South Temple
Salt Lake City, Utah 84111

Glen Wells
700 West U.S. Hwy 6
Price, Utah 84501

Penta Creek, LLC
140 S. Newton
Albert Lea, MN 56007

David Hinkins
155 West 100 South
Orangeville, Utah 84537

School and Institutional Trust
Lands Administration
355 West North Temple, Suite 400
Salt Lake City, Utah 84180-1204

Matt Rauhala
1236 East Main
Price, Utah 84501

Subsurface Owners:

Bureau of Land Management
Utah State Office
136 East South Temple
Salt Lake City, Utah 84111

Penta Creek, LLC
140 S. Newton
Albert Lea, MN 56007

School and Institutional Trust
Lands Administration
355 West North Temple, Suite 400
Salt Lake City, Utah 84180-1204

WEST RIDGE Resources, Inc. is the holder of record for federal lease SL-068754 and UTU 78562 (see Table 1-1), state lease ML 47711 and ML 49287 (see Table 1-2A) and the Penta Creek Fee lease (see Table 1-2B).

Proof of lease assignment for all leases (Federal leases SL-068754 and UTU 78562, and State leases ML 47711 and ML 49287), and the Penta Creek fee lease can be found in Appendix 1-4.

112.600 Contiguous surface owners:

Bureau of Land Management
Utah State Office
136 East South Temple
Salt Lake City, Utah 84111

Dave Hinkins
155 West 100 South
Orangeville, Utah 84537

Glen Wells
700 West U.S. Hwy 6
Price, Utah 84501

Penta Creek, LLC
140 S. Newton
Albert Lea, MN 56007

School and Institutional Trust
Lands Administration
355 West North Temple, Suite 400
Salt Lake City, Utah 84180-1204

Contiguous subsurface owners:

School and Institutional Trust
Lands Administration
355 West North Temple, Suite 400
Salt Lake City, Utah 84180-1204

Penta Creek, LLC
140 S. Newton
Albert Lea, MN 56007

David Hinkins
155 West 100 South
Orangeville, Utah 84537

Emily P Marston
843 Genodle Drive
Midvale, Utah 84047

Leonard J. Pagano
55 West main Street
Price, Utah 84501

Bureau of Land Management
Utah State Office
136 East South Temple
Salt Lake City, Utah 84111

- 112.700 See Appendix 1-5
- 112.800 There are no pending interests or bids existing on lands contiguous to the present leased area.
- 112.900 After WEST RIDGE Resources, Inc. is notified that the application is approved, but before the permit is issued, WEST RIDGE Resources, Inc. will update, correct or indicate that no change has occurred in the information previously submitted under R645-301-112.100 through R645-301-112.800.

R645-301-113

VIOLATION INFORMATION

- 113.100 The applicant or any subsidiary, affiliate or persons controlled by or under common control with the applicant has not had a federal or state permit to conduct coal mining and reclamation operations suspended or revoked in the five years preceding the date of submission of the application.
- 113.120 The applicant etc. has not forfeited any performance bond or similar security
- 113.200 Not applicable
- 113.300 A listing of violations received by the applicant in connection with any coal mining and reclamation operation during the three year period preceding the application date is provided in Appendix 1-2. MSHA numbers for the operations can be found in Appendix 1-5. There have been no unabated violations or cessation orders issued to any affiliated companies during the previous three years.
- 113.400 After WEST RIDGE Resources, Inc. is notified that the application is approved, but before the permit is issued, WEST RIDGE Resources, Inc. will update, correct or indicate that no change has occurred in the information previously submitted under R645-301-113.

114.100 WEST RIDGE Resources, Inc., currently holds 5256.16 acres of federal coal (2,650.67 acres leased under SL-068754 and 2605.49 acres leased under UTU 78562) in the Book Cliffs coal field (refer to Maps 1-0 and 5-3). A complete legal description of all Federal leases held by WEST RIDGE is found in Table 1-1. WEST RIDGE currently holds 2162.34 acres of state coal (801.24 acres under ML 47711, 881.10 under ML 49287, and 480 acres under ML 51744). A complete legal description of all State leases held by WEST RIDGE is found in Table 1-2. WEST RIDGE also holds 1189.84 acres leased on contiguous private (fee) coal lands located along the eastern side of the mineable reserve. A complete legal description of this fee lease is found in Table 1-3. None of these leases are the subject of any pending litigation. Proof of lease assignment for all leases can be found in Appendix 1-4.

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."

In addition to the coal leases, WEST RIDGE also holds several surface use permits as part of the operation, including:

1) SITLA Special Use Lease Agreement No. 1163. The substitute topsoil borrow area, which is also included within the permit area, is located on lands administered by the 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. This area is not contiguous with the main coal leasehold. (See Appendix 1-10 for details)

2) BLM Right-of-Way UTU-77120 This right-of-way authorizes the installation and operation of a pumping station used to facilitate the delivery of culinary water to the West Ridge Mine. This area is not contiguous with the main coal leasehold. (See

Appendix 1-12 for details)

3) BLM Right-of-Way 87110 This right-of way authorizes the installation of three (3 ea.) catchment structures in the C Canyon drainage below the mine. These catchments are designed to provide containment of unanticipated coal-fines accumulations from the mine discharge water. These catchment structures comprises a total of 0.69 acres (Refer to Appendix 5-15 for details).

The total permit area is 7326.95 acres. Refer to Map 1-1 for the permit area location. Refer to Table 1-4 for the legal description of the permit area by composite leasehold, and Table 1-5 for the legal description of the permit area in total area. Table 1-6 describes the surface ownership of the permit area.

The permit area consists of the following areas:

- 1) all of federal coal leases SL-068754-U-01215 (2,650.67 acres)
- 2) most of federal coal lease UTU 78562 (2,259.58 acres),
- 3) all of state coal leases ML-47711 (801.24 acres)
- 4) all of state coal lease ML-49287 (881.10 acres)
- 5) much of state coal lease ML-51744 (212.5 acres)
- 6) much of the Penta Creek fee coal lease (510.55 acres)
- 7) SITLA surface lease 1163, for topsoil borrow area (9.6 acres).
- 8) BLM right-of-way UTU-77120, for pumping station (0.23 acres)
- 9) BLM right-of-way UTU-87110, for catchment structures A, C and E (0.69 acres)
- 10) Carbon County authorization, road security gate (0.79 acres). See Appendix 1-13

Disturbed area within the permit area consists of the following:

1)	Minesite surface facilities	29.82 acres
2)	Pumping station	0.23 acres
3)	GVH installation (main pad)	0.24 acres
4)	GVH installation (GVH 5 "pullout")	0.02 acres
5)	GVH topsoil storage	0.1 acres
6)	Catchment structures A	0.12 acres
7)	Catchment structures C	0.23 acres
8)	Catchment structures E	0.23 acres
	TOTAL	30.99 acres

See Table 1-7 for complete legal description of disturbed areas.

114.200 Not applicable, the fee lease mineral estate is not severed from the surface estate.

**TABLE 1-1
FEDERAL LEASE and R.O.W. PROPERTIES**

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
1) <u>FEDERAL COAL LEASE SL-068754</u> (SL-068754-U-01215)	2,650.67	T 14 S, R 13 E Section 10: NE, E2NW, N2SE, SESE Section 11: All Section 12: S2SW, NWSW Section 13: S2, NW, S2NE, NWNE Section 14: E2, N2NW, SENW Section 15: NENE Section 24: N2, N2SE, NESW
2) <u>FEDERAL COAL LEASE UTU-78562</u>	2,249.25	T 13 S, R 13 E Section 34: NESE, S2SE Section 35: All T 13 S, R 14 E Section 31: Lot 4, S2SESW, NESESW, SENWSESW, W2SWSE, S2SESWSE, S2S2SESE T 14 S, R 13 E Section 1: All Section 12: Lots 1 thru 4, S2N2, NESW, SE Section 13: NENE T 14 S, R 14 E Section 5: Lot 4, W2W2SWNW, SWNWSW, W2NWNWSW, W2SWSW Section 6: Lot 6, NESW, NESE Section 7: Lots 3 and 4

3) PUMPING STATION
(BLM R.O.W. UTU-7712)

0.23

Section 8: W2NWNW, W2SENWNW,
SWNENWNW, W2SWNW,
W2E2SWNW, W2NWSW,
SWSW

Section 17: N2NWNWNE

Section 18: Lot 1, E2NW

T 14 S, R 13 E

Section 21: NENE (0.23 acres thereof)

4) CATCHMENT STRUCTURE A
(BLM R.O.W. UTU-87110)

0.23

T 14 S, R 13 E

Section 15: SESW (0.23 acres therein)

5) CATCHMENT STRUCTURE C
(BLM R.O.W. UTU-87110)

0.23

T 14 S, R 13 E

Section 28: NWNW (0.23 acres therein)

6) CATCHMENT STRUCTURE E
(BLM R.O.W. UTU-87110)

0.23

T 14 S, R 12 E

Section 25: SESE (0.23 acres therein)

TOTAL FEDERAL

5257.08 acres

**TABLE 1-3
FEE LEASE PROPERTIES
(PENTA CREEK)**

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
<u>1) PENTA CREEK FEE LEASE</u>	382.08	T 14 S, R 14 E Section 6: Lot 7, SESW Section 7*: Lots 1* and 2*, NENW*, E2SW*, SWSE Section 18: Lots 2 and 3, NWNE
<p>*Less and excepting from the portion of the above legal subdivisions in Section 7, 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>		
<u>2) PENTA CREEK LEASE EXTENSION</u> (Extension 1, August, 2010)	352.36	T 14 S, R 14 E Section 6: Lots 2, 3, 4 and 5, SENW, SWNE, NWSE, S2SE
<u>3) PENTA CREEK LEASE EXTENSION</u> (Extension 2, March, 2011)	295.40	T 14 S, R 14 E Section 6: Lot 1, SENE Section 7: SWNE, NWSE, SESE, SENW Section 18: NENE
<u>4) HINKINS FEE LEASE**</u>	160.00	T 14 S, R 14 E Section 7: N2NE, SENE, NESE
<u>TOTAL FEE LEASES:</u>	<u>1189.84</u>	

** This lease area is held as follows:
(individually)

David P. Hinkins, Todd S. Hinkins and Ross D. Hinkins.....	50%
Emily P. Marston.....	25%
Leonard Pagano.....	25%

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

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
<u>1) FEDERAL LEASE SL-068754</u> (SL-068754-U-01215)	2,650.67	T 14 S, R 13 E Section 10: NE, E2NW, N2SE, SESE Section 11: All Section 12: S2SW, NWSW Section 13: S2, NW, S2NE, NWNE Section 14: E2, N2NW, SENW Section 15: NENE Section 24: N2, N2SE, NESW
<u>2) FEDERAL LEASE UTU-78562</u>	2259.58	T 13 S, R 13 E Section 34: NESE, S2SE Section 35: All T 13 S, R 14 E Section 31: SWLot 4 T 14 S, R 13 E Section 1: All Section 12: Lots 1 thru 4, S2N2, NESW, SE Section 13: NENE T 14 S, R 14 E Section 6: Lot 6, NESW Section 7: Lots 3 and 4 Section 18: Lot 1, E2NW

TABLE 1-4 (continued)

3) <u>STATE LEASE ML 47711</u>	801.24	T 14 S, R 13 E
		Section 2: Lots 1 thru 4, S2N2, S2
		T 13 S, R 13 E
		Section 36: SW
4) <u>STATE LEASE ML 49287</u>	881.10	T 14 S, R 13 E
		Section 3: Lots 1, 2 and 3, S2N2, S2
		Section 10: W2NW, SW, SWSE
5) <u>STATE LEASE ML 51744</u>	212.5	T 13 S, R 13 E
		Section 36: SW, SWNWSWNW, S2S2NW, S2SWNE, W2SE, SESE, S2NESE, NWNESE
6) <u>PENTA CREEK FEE LEASE</u>	238.17	T 14 S, R 14 E
		Section 6: Lot 7, SESW
		Section 7*: Lot 1*, SESW, SWNESW
		Section 18: Lots 2 and 3
7) <u>PENTA CREEK LEASE EXTENSION</u> (Extension #1, August, 2010)	272.38	T 14 S, R 14 E
		Section 6 Lots 3, 4 and 5, SENW, SWNE, NWSE, SWSE
8) <u>PUMPING STATION</u> (BLM R.O.W. UTU-7712)	0.23	T 14 S, R 13 E
		Section 21 NESENE (0.23 acres thereof, containing pumping station)

TABLE 1-4 (continued)

<u>9) TOPSOIL SALVAGE AREA</u> (SITLA special use agreement #1163)	9.6	T 14 S, R 13 E	
		Section 16:	E2NESE (9.6 acres thereof, containing substitute topsoil area)
<u>10) CATCHMENT STRUCTURE A</u> (BLM R.O.W . UTU-87110)		T 14 S, R 13 E	
	0.23	Section 15:	SESW (0.23 acres thereof, containing catchment structure)
<u>11) CATCHMENT STRUCTURE C</u> (BLM R.O.W . UTU-87110)		T 14 S, R 13 E	
	0.23	Section 28:	NWNW (0.23 acres thereof, containing catchment structure)
<u>12) CATCHMENT STRUCTURE E</u> (BLM R.O.W . UTU-87110)		T 14 S, R 12 E	
	0.23	Section 25:	SESE (0.23 acres thereof, containing catchment structure)
<u>13) SECURITY GATE</u> (Carbon County authorization)	0.79	T 14 S, R 13 E	
		Section 15:	NWSENE (0.79 acres thereof, containing security gate)
 <u>TOTAL PERMIT AREA</u>	 <u>7326.95 acres</u>		

*Less and excepting from the portion of the above legal subdivisions in Section 7, 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.

**TABLE 1-5
LEGAL DESCRIPTION OF PERMIT AREA
(TOTAL AREA)**

T13S, R13E	Section 34	NESE, S2SE
	Section 35	All
	Section 36	SW, SWNWSWNW, S2S2NW, S2SWNE, W2SE, SESE, S2NESE, NWNENE,
T13S, R14E	Section 31	SWLot 4
T14S, R12E	Section 25	SESE (part thereof containing catchment structure E)
T14S, R13E	Section 1	All
	Section 2	All
	Section 3	Lots 1, 2 and 3, S2N2, S2
	Section 10	All
	Section 11	All
	Section 12	All
	Section 13	All
	Section 14	E2, N2NW, SENW
	Section 15	NENE, NWSENE (part thereof, containing security gate) SESW (part thereof, containing catchment structure A)
	Section 16	E2NESE (part thereof, containing substitute topsoil area)
	Section 21	NESENE (part thereof, containing pumping station)
	Section 24	N2, N2SE, NESW
	Section 28	NWNW (part thereof, containing catchment structure C)
T14S, R14E	Section 6	Lots 3, 4, 5, 6 and 7, SENW, E2SW, W2SE
	Section 7*	Lots 1*, 3 and 4, SESW, SWNESW
	Section 18	Lots 1, 2 and 3, E2NW

TOTAL PERMIT AREA = 7326.95 acres.

*Less and excepting from the portion of the above legal subdivisions in Section 7, 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.

**TABLE 1-6
SURFACE OWNERSHIP OF PERMIT AREA**

T(S)/R(E)	Section	BLM	Penta Creek	Hinkins	Wells	Rauhala	SITLA	Total
13/13	34	-	-	-	120.00	-	-	120.00
13/13	35	40.00	-	448.91	151.09	-	-	640.00
13/13	36	-	372.50	-	-	-	-	372.50
13/14	31	10.33	-	-	-	-	-	10.33
14/12	25	0.23	-	-	-	-	-	0.23
14/13	1	283.75	328.68	-	-	39.92	-	652.35
14/13	2	-	641.24	-	-	-	-	641.24
14/13	3	-	-	-	80.66	-	520.44	601.10
14/13	10	360.00	-	-	-	-	280.00	640.00
14/13	11	650.87	-	-	-	-	-	650.87
14/13	12	-	648.96	-	-	-	-	648.96
14/13	13	640.00	-	-	-	-	-	640.00
14/13	14	440.00	-	-	-	-	-	440.00
14/13	15	41.02	-	-	-	-	-	41.02
14/13	16	-	-	-	-	-	9.60	9.60
14/13	21	0.23	-	-	-	-	-	0.23
14/13	24	440.00	-	-	-	-	-	440.00
14/12	28	0.23	-	-	-	-	-	0.23
14/14	6	76.41	348.94	-	-	-	-	425.35
14/14	7	74.08	86.69	-	-	-	-	160.77
14/14	8	-	-	-	-	-	-	0.00
14/14	18	117.25	74.92	-	-	-	-	192.17
		3174.40	2501.93	448.91	351.75	39.92	810.04	7326.95

**TABLE 1-7
DISTURBED AREA WITHIN PERMIT AREA**

1) Minesite surface facilities: portions of the following, totaling 29.82 acres (all BLM)

T14S, R13E	Section 10:	SESESE NESESE
T14S, R13E	Section 11:	SWNESW NWSESW NESWSW NWSWSW SWSWSW SESWSW
T14S, R13E	Section 15:	NENENE NWNENE SWNENE SENENE NWSENE

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

T14S, R13E	Section 21:	NESENE
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3) Gob gas vent hole (GVH) installation (main pad): portion thereof of the following, containing 0.24 acres (all SITLA)

T14S, R13E	Section 3:	NESWSE
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4) Gob gas vent hole (GVH) installation (GVH 5 "pullout"): portion thereof of the following, containing 0.02 acres (all SITLA)

T14S, R13E	Section 3:	NESWSE
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5) Gob gas vent hole (GVH) topsoil pile: portion thereof of the following, containing 0.1 acres (all SITLA)

T14S, R13E	Section 10:	SENWNW
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6) Catchment Structure A: portion thereof of the following, containing 0.12 acres (all BLM)

T 14 S, R 13 E Section 15: SESW

7) Catchment Structure C: portion thereof of the following, containing 0.23 acres (all BLM)

T 14 S, R 13 E Section 28: NWNW

8) Catchment Structure E: portion thereof of the following, containing 0.23 acres (all BLM)

T 14 S, R 12 E Section 25: SESE

TOTAL DISTURBED AREA = 30.99 acres

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.

116.200 The initial permit application will be for a five year term with successive five year permit renewals.

R645-301-117 INSURANCE, PROOF OF PUBLICATION AND FACILITIES OR STRUCTURES USED IN COMMON

117.100 The Certificate of Liability Insurance is included as Attachment 1-1 in Appendix 1-1.

117.200 A copy of the newspaper advertisement of the application for a permit and proof of publication are included as Attachment 1-2 and 1-3 respectively, in Appendix 1-1. A copy of the newspaper advertisement for the Whitmore lease revision is included as Attachment 1-3 in Appendix 1-1.

117.300 Not applicable.

R645-301-118 FILING FEE

Verification of filing fee payment is included as Attachment 1-4 in Appendix 1-1.

R645-301-123 NOTARIZED STATEMENT

A notarized statement attesting to the accuracy of the information submitted can be referenced as Attachment 1-5 in Appendix 1-1.

R645-301-130 REPORTING OF TECHNICAL DATA

Technical reports prepared by consultants specifically for WEST RIDGE Resources, Inc. are typically presented in an appendix format and, in general, provide the name and address of the person or company (consultant) preparing the report, the name of the report, the date of collection and analysis of the data, and descriptions of the methodology used to collect and analyze the data. The body of the report usually will provide the date the actual field work was conducted and a description of the methodology used to collect and analyze the data. The format of each report may vary depending on the contents of the report and organization preparing it.

For laboratory analyses, such as Appendix 7-2 and 7-3, the company performing the analyses as well as the date of the analyses, is presented on the laboratory report rather than the cover page.

A list of consultants and their appended reports is contained in Appendix 1-6, Consultation and Coordination. Sources used in the preparation of the permit application are referenced in Appendix 1-3. References in all chapters are keyed to this main reference list.

Mining and exploration activities had been conducted in the currently proposed disturbed area prior to August 3, 1977. A road existed into C Canyon in 1952 when drill hole B-6 was drilled in the right fork. A road was also constructed up the left fork of C Canyon to a drill hole site during the same year. In addition to the drill holes, the coal outcrop in the left fork of C Canyon was exposed for sampling purposes. A small pad was built at the outcrop location and it was left in place as were the roads.

In 1986, another drill hole, 86-2, was drilled west of the first drill hole in the right fork. A minor amount of road work was done in conjunction with this second drill hole. Kaiser Coal Company obtained permission from the BLM to grade the existing road and make it passable for the drill rig. The drill hole site was reclaimed but the road, a public road, was left in place.

Through use of aerial photography and site evaluations, it is possible to document previous mining related disturbances in C Canyon. Refer to Map 5-1 for delineation of the disturbance prior to August 3, 1977.

The total of all the previously disturbed areas within the minesite disturbed area is estimated to be as follows:

roads in right and left forks	=	1.27 acres
road culvert	=	.05 acres
water monitoring well	=	.05 acres
material storage pad	=	.05 acres
		<hr/>
		1.62 acres

WEST RIDGE Resources, Inc. is proposing to utilize the entire previously disturbed area in their current proposal and to reclaim it upon cessation of mining operations.

In the 1950's a road was constructed in the Right Fork of Bear Canyon to access an exploratory drillhole site. This road now provides access to the site of the Bear Canyon GVH installation. (Refer to Appendix 5-14 for a detailed description of the Bear Canyon GVH facility)

**ATTACHMENT 1-5
VERIFICATION STATEMENT**

I hereby certify that I am a responsible official (Resident Agent) of the applicant (ANDALEX and IPA for WEST RIDGE Resources, Inc.) 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

David Shaver, Resident Agent

Signed - Name - Position - Date

Subscribed and sworn to before me this__ day of____, 20_

Notary Public

My commission Expires: _____, 20__)

Attest: STATE OF _____) ss:

COUNTY OF _____)



APPENDIX 1-4.....RIGHT-OF-ENTRY INFORMATION

FEDERAL LEASE UTU-78562 MODIFICATION
PENTA CREEK LEASE EXTENSION
HINKINS FEE LEASE

NOTE TO REVIEWERS:
ADD THESE LEASES TO APPENDIX 1-4

APPENDIX 1-4B(a)
LEASE ASSIGNMENT
FEDERAL COAL LEASE
UTU-78562 MODIFICATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. UTSL-066490

MODIFIED COAL LEASE

Date of Lease December 31, 1947

PART I.

THIS MODIFIED COAL LEASE is entered into on June 1, 2011, by and between the **UNITED STATES OF AMERICA**, hereinafter called the Lessor, through the Bureau of Land Management, and
UtahAmerican Energy, Inc.
794 North "C" Canyon Road
P. O. Box 910
East Carbon, UT 84520

hereinafter called Lessee.

This modified lease shall retain the effective date of December 31, 1947, of the original **COAL LEASE UTSL- 066490**, and is effective for a period of 20 years from the date of issuance of the lease, dated December 31, 1947 and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms next on October 26, 2015 and at the end of each 10 year lease period thereafter.

Sec. 1. This lease is issued pursuant and subject to the terms and provisions of the: (NOTE: Check the appropriate Act or Acts.)

XX Mineral Lands Leasing Act of 1920, as amended, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

 Mineral Leasing Act for Acquired Lands of 1947, 61 Stat. 913, 30 U.S.C. 351-359;

and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessee as the holder of Coal Lease UTSL- 066490, issued effective December 31, 1947, were granted the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 1.

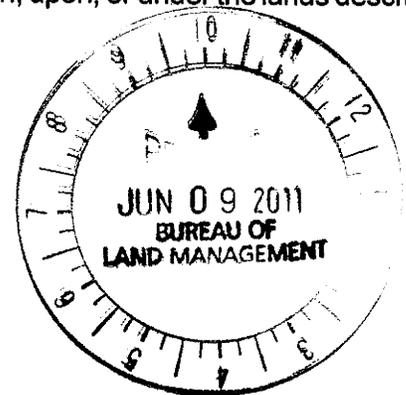
The Lessor in consideration of fair market value, rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to Lessee the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 2.

Tract 1:

T. 16 S., R. 14 E., SLM, Utah
Sec. 11, E $\frac{1}{2}$;
Sec. 12, W $\frac{1}{2}$;
Sec. 13, W $\frac{1}{2}$;
Sec. 14, W $\frac{1}{2}$, SW $\frac{1}{4}$;
Sec. 15, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 22, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 23, N $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 24, NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 26, N $\frac{1}{2}$ NE $\frac{1}{4}$

Tract 2:

T. 16 S., R. 14 E., SLM, Utah



Sec. 15, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

containing 2,445.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Part II. TERMS AND CONDITIONS

Sec. 1.(a) RENTAL RATE - Lessee shall pay Lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of \$3.00 per acre for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2.(a) PRODUCTION ROYALTIES - The royalty shall be 8 percent of the value of the coal as set forth in the regulations. Royalties are due to Lessor the final day of the month succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the Lessee, the authorized officer may accept, for a total of not more than 20* years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the Lessee requests approval to pay advance royalties in lieu of continued operation.

* 20 years (Public Law 109-58)

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$120,000. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease has achieved diligent development, and is subject to the conditions of continued operation. Continued operation may be excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the Lessee. The Lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension.

The Lessor reserves the power to assent to or order the suspension of the terms and conditions of this

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the Lessor of the Lessee's application or at the direction of the Lessor, this lease shall become an LMU or part of an LMU, subject to the provisions set forth in the regulations.

The stipulations established in an LMU approval in effect at the time of LMU approval or modification will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

~~This lease was placed in the Soldier Creek LMU effective March 1, 1990.~~ *PK*

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as Lessor may prescribe, Lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of Lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow Lessor access to and copying of documents reasonably necessary to verify Lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Action (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit

area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by Lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specifications of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of Lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8 PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant

orders of the Secretary of Labor. Neither Lessee nor Lessee's subcontractors shall maintain segregated facilities.

Sec. 9.(a) TRANSFERS

(Check the appropriate space)

This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) **RELINQUISHMENTS** - The Lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon Lessor's acceptance of the relinquishment, Lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such times as all portions of this lease are returned to Lessor, Lessee shall deliver up to Lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, Lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the Lessor, but Lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the Lessor. If the surface is owned by third parties, Lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when

required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by Lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT -
If Lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the Lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by Lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the Lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

Sec. 15. SPECIAL STIPULATIONS -

SEE ATTACHED STIPULATIONS

Utah American Energy, Inc.
Company or Lessee Name

David W. Helms
(Signature of Lessee)

President
(Title)

05/31/11
(Date)

The United States of America

BY [Signature]

Kent Hoffman
(Signing Officer)

Deputy State Director - Lands & Minerals
(Title)

JUN 10 2011
(Date)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**SPECIAL STIPULATIONS FOR UTSL-066490
MODIFIED COAL LEASE**

1. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this act and are subject to compliance with Office of Surface Mining regulations, or as applicable the Utah program approved under the cooperative agreement in accordance with sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.
2. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural resources.

If cultural resources of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the Authorized Officer.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

3. If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

4. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a paleontological appraisal of the areas to be disturbed. The appraisal shall be conducted by a qualified paleontologist and a report prepared itemizing the findings.

A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified paleontological resources.

If paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate, or have evaluated such discoveries and, within 5 working days, shall notify the lessee what action shall be taken with respect to such discoveries. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measure shall be borne by the lessee. The cost of salvage of paleontological remains (fossils) shall be borne by the United States.

5. The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

6. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

7. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal-handling and storage

facilities on the lease area. The migration of road surfacing and subsurface materials into streams and water courses shall be prevented.

8. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data. The monitoring system shall be adequate to locate and quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation and wildlife.

9. Except at locations specifically approved by the Authorized Officer, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. The lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

10. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.

11. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to an authorized post mining land use.

12. The Lessee at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by BLM to the standards and guidelines found in the Manual of Surveying Instructions, U.S. Department of Interior.

13. Notwithstanding the approval of a Resource Recovery and Protection Plan (R2P2) by the BLM, lessor reserves the right to seek damages against the operator/lessee in the event (i) the operator/lessee fails to achieve maximum economic recovery [as defined at 43 CFR §3480.0-5(21)] of the recoverable coal reserves or (ii) the operator/lessee is determined to have caused a wasting of recoverable coal reserves. Damages shall be measured on the basis of the royalty that would have been payable on the wasted or un-recovered coal.

The parties recognize that under an approved R2P2, conditions may require a modification by the operator/lessee of that plan. In the event a coal bed or portion thereof is not to be mined or is rendered unminable by the operation, the operator shall submit appropriate justification to obtain approval by the AO to leave such reserves unmined. Upon approval by the AO, such coal beds or portions thereof shall not be subject to damages as described above. Further, nothing in this section shall prevent the operator/lessee from exercising its right to relinquish all or a portion of the lease as authorized by statute and regulation.

In the event the AO determines that the R2P2 modification will not attain MER resulting from changed conditions, the AO will give proper notice to the operator/lessee as required under applicable regulations. The AO will order a new R2P2 modification if necessary, identifying additional reserves to be mined in order to attain MER. Upon a final administrative or judicial ruling upholding such an ordered modification, any reserves left un-mined (wasted) under that plan will be subject to damages as described in the first paragraph under this section.

Subject to the right to appeal hereinafter set forth, payment of the value of the royalty on such un-mined recoverable coal reserves shall become due and payable upon determination by the AO that the coal reserves have been rendered un-minable or at such time that the lessee has demonstrated an unwillingness to extract the coal.

The BLM may enforce this provision either by issuing a written decision requiring payment of the MMS demand for such royalties, or by issuing a notice of non-compliance. A decision or notice of non-compliance issued by the lessor that payment is due under this stipulation is appealable as allowed by law.

14. **WASTE CERTIFICATION:** The lessee shall provide upon abandonment and/or sealing off a mined area and prior to lease termination/relinquishment, certification to the lessor that, based upon a complete search of all the operator's records for the mine and upon their knowledge of past operations, there has been no **hazardous substances** per (40 CFR 302.4) or **used oil** as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.

15. **ABANDONMENT OF EQUIPMENT:** The lessee/operator is responsible for compliance with reporting regarding toxic and hazardous material and substances under Federal Law and all associated amendments and regulations for the handling such materials on the land surface and in underground mine workings.

The lessee/operator must remove mine equipment and materials not needed for continued operations, roof support and mine safety from underground workings prior to abandonment of mine sections. Exceptions can be approved by the Authorized Officer (BLM) in consultation with the surface management agency. Creation of a situation that would prevent removal of such material and by retreat or abandonment of mine sections without prior authorization would be considered noncompliance with lease terms and conditions and subject to appropriate penalties under the lease.

16. **UNDERGROUND INSPECTION:** All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and document any equipment/machinery, hazardous substances, and used oil that is to be left underground.

The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120(h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee's expense and shall be submitted to the Authorized Officer as part of the certification. The abandonment of any equipment/machinery shall be on a case by case basis and shall not be accomplished unless the Authorized Officer has granted a written approval.

17. **GOB VENT BOREHOLES.** The Lessee shall submit a gob vent borehole plan for approval by the AO as part of an R2P2 for all gob vent boreholes. The plugging portion of the plan must meet 43 CFR 3484.1(a)(3) as a minimum. If variations to the approved plugging procedures are necessary, they shall also be approved by the AO in writing prior to implementation of the procedures.

18. The holder of this lease shall be required to conduct appropriate surveys for Mexican Spotted owls on the lease tract areas with 40 percent or greater slope, cliff habitat areas, riparian habitats, and mixed conifer forest habitats, prior to surface disturbing activities and or development with a potential to interrupt springs. Inventory work will be conducted by parties approved and permitted for such survey work by the Authorized Officer of the BLM and conducted following current protocols established by the USFWS.

19. **FAIR MARKET VALUE BONUS:** Due to the uncertainty of the amount of recoverable coal reserves in this modification, the lessee will pay the fair market value (FMV) bonus payment for the coal resources mined in the area of Federal coal lease modification (UTSL-066490) Tract 2, at the rate of \$0.37 per ton for the actual tonnage mined, adjusted annually using the U. S. Bureau of Labor Statistics CPI West Urban Energy Index; or if that index is not available the BLM authorized officer will chose a comparable index to be used. Payment of FMV at the specified rate and tonnage mined will be on the schedule required for payment of production royalties to the Office of Natural Resources Revenue (ONRR). The lessee will clearly indicate which portion of the payment is for royalty and what is for the lease bonus payment.

APPENDIX 1-4F(a)
LEASE ASSIGNMENT
PENTA CREEK FEE LEASE

MEMORANDUM OF UNDERGROUND COAL LEASE

THIS MEMORANDUM OF COAL LEASE made and entered into effective as of the 1st day of January, 2003, among **PENTA CREEKS, L.L.C.** (a.k.a. Penta Creek LLC), a Utah limited liability company and **MAGNIFICENT SEVEN, L.L.C.**, a Utah limited liability company, collectively referred to as "Lessors," having a single address for purposes of this Lease c/o Howard Jensen Real Estate, 111 East Clark Street, Albert Lea, Minnesota 56007; and **ANDALEX RESOURCES, INC.**, a Delaware corporation, with an address at 45 West 10000 South, Suite 401, Sandy, Utah 84070, and **INTERMOUNTAIN POWER AGENCY**, a political subdivision of the State of Utah, with an address at 480 East 6400 South, Murray, Utah 84107, each having an undivided 50% ownership interest in the leasehold estate created by this Lease as tenants in common and collectively referred to herein as "Lessee," having a single address c/o **ANDALEX Resources, Inc.**, 45 West 10000 South, Suite 401, Sandy, Utah 84070.

WITNESSETH:

The parties hereto agree:

1. Upon the terms and conditions set forth in that certain Underground Coal Lease (hereinafter "Lease"), effective of even date herewith, all of which are hereby incorporated herein as if set forth in full, Lessors do hereby grant and lease unto Lessee for the purposes described in paragraph 2 of this Memorandum of Underground Coal Lease and in the Lease those certain lands situated in Carbon County, State of Utah, more particularly described as follows, to-wit:

Township 14 South, Range 14 East, SLB&M

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

Less and excepting from the portion of the above described legal subdivisions in Section 7, those lands described in that certain Quitclaim Deed dated September 25, 1998 naming Penta Creeks, L.L.C. and Magnificent Seven, L.L.C., as Grantors, and East Carbon City and Sunnyside City as Grantees. Said Quitclaim Deed was recorded September 30, 1998 in Book 418 at pages 56 to 58, Carbon County Recorder, Utah.

And excepting and reserving to Lessors, to the extent of their ownership interest therein, all water and water rights, and the right of Lessors to access, use and divert those waters and water rights, (collectively herein the "Subject Water Rights") as follows:

Water Right No. 91-1640, including the beneficial use for stockwatering purposes from a point on the Left Fork, Grassy Trail Creek, beginning in SW1/4SW1/4, Section 6, Township 14 South, Range 14 East, SLBM, to a

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APR 13 2003

DIV OF OIL GAS & MINING

point in the NE1/4SW1/4, Section 7, Township 14 South, Range 14 East, SLBM.

Water Right No. 91-3519, including the beneficial use for stockwatering purposes from a point on the Right Fork, Grassy Trail Creek in the NW1/4SE1/4, Section 6, Township 14 South, Range 14 East, SLBM, to a point in the SE1/4SW1/4, Section 6, Township 14 South, Range 14 East, SLBM.

Water Right No. 91-3520, including the beneficial use for stockwatering purposes from a point in the NE1/4NW1/4, Section 7, Township 14 South, Range 14 East, SLBM, to a point in the SE1/4NW1/4, Section 7, Township 14 South, Range 14 East, SLBM.

Subject to the following rights of way and agreements as they exist at the time of execution of this Lease:

- (1) Rights of third parties to access water rights on the leased premises.
- (2) Rights of way for roadways, both public and private as may exist over and across the leased premises.
- (3) Memorandum Agreement by and between Kaiser Steel Corporation and Frank Liddell and Effie Liddell, his wife, regarding cattle grazing and watershed control recorded February 20, 1958, as Entry No. 84105, in Book 53, at Page 204, Carbon County Recorder, Utah.
- (4) The right of ingress and egress granted to Sunnyside Fuel Corporation for the purpose of transporting, mining and removing tailings as contained in that certain Deed, Assignment and Bill of Sale recorded December 29, 1987, as Entry No. 19370, in Book 277, at Page 679, Carbon County Recorder, Utah.
- (5) Reservation of an easement for the delivery of Water Rights Nos. 91-362 and 91-367; also, a perpetual easement and right of way for water pipeline facilities including pipes, valves and related equipment with the right, privilege and authority to construct, operate, maintain, replace and repair said facilities under, over and across certain lands, as set forth and reserved in that certain Quit Claim Deed recorded March 27, 1996, as Entry No. 54278, in Book 370, at Page 121, Carbon County Recorder, Utah.
- (6) Right of way and Easements granted to East Carbon City and Sunnyside City for the following:
 - (A) For the purposes of maintaining the Grassy Trail Reservoir Dam and appurtenant works and pipelines.
 - (B) For the purposes of fluctuation of Grassy Trail Reservoir water levels and inundation of a subject property in conjunction with the operation, maintenance and repair of the Grassy Trail Reservoir Dam.

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APR 17 2003

DIV OF OIL, GAS & MINING

(C) For ingress and egress for the purpose of inspecting, measuring and insuring available flow of water.

(7) An easement originally in favor of Defense Plant Corporation to construct, operate, maintain, reconstruct, enlarge, alter or remove a water pipeline through and across certain lands, together with all rights and privileges, incident thereto, recorded April 26, 1944, as Entry No. 42483, in Book 3-X, at Page 390, Carbon County Recorder, Utah. Said Easement further set forth in various instruments of record, including Notice of Agreement, recorded December 29, 1987, as Entry No. 19373, in Book 277, at Page 709, Carbon County Recorder, Utah.

(8) As easement 25 feet in width for an existing water line connecting Grassy Trail Reservoir in said Section 7 with the reservoir of East Carbon City in Section 6, Township 15 South, Range 14 East, together with all rights and privileges incident thereto, recorded October 27, 1983, as Entry No. 1415, in Book 233, at Page 182.

The term "leased premises" as used in the Lease shall refer to said lands.

2. The Underground Coal Lease grants to Lessee the exclusive right and privilege to explore for, mine (by any lawful underground mining method), remove, extract, store, prepare, ship and dispose of the coal and gas occurring in coal seams, beds or deposits when vented as a non-commercial substance in conjunction with coal development or extraction operations together with limited rights of access for environmental monitoring purposes. The leasing, exploration for, or development of other minerals or substances other than coal and substances mixed with coal shall not interfere in any way with the coal mining operations of the Lessee during the term of this Lease. Leases related to other minerals issued by Lessors after the date of this Lease shall be specifically made subject to the priority of the coal mining operations.

3. The term of the Lease is for a primary term of ten (10) years which commenced on January 1, 2003 and so long thereafter as mining operations are being conducted by Lessee in the general mining area.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Underground Coal Lease and the Underground Coal Lease to be signed effective as of the day and year first above written.

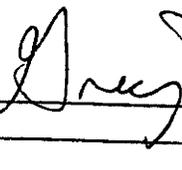
LESSORS:

SOCIAL SECURITY NUMBER OR
EMPLOYER IDENTIFICATION NO.:

87-0548967

PENTA CREEKS, L.L.C.
a Utah limited liability company

By:
Its:


INCORPORATED

APR 02 2003

SOCIAL SECURITY NUMBER OR
EMPLOYER IDENTIFICATION NO.:

87-0536833

MAGNIFICENT SEVEN, L.L.C.
a Utah limited liability company

By: [Signature]
Its: [Signature]

LESSEE:

ANDALEX RESOURCES, INC.,
a Delaware corporation

By: [Signature]
DOUGLAS H. SMITH
President
Date: March 11, 2003

INTERMOUNTAIN POWER AGENCY,
a political subdivision of the State of Utah

By: [Signature]
REED T. SEARLE
General Manager
Date: March 10, 2003

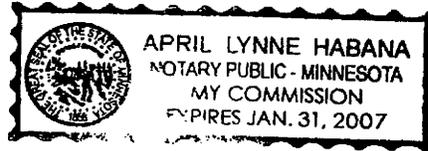
INCORPORATED
APR 07 2003
DIV OF OIL GAS & MINING

STATE OF Minnesota)
 : ss.
COUNTY OF Freeborn)

On the 12th day of March, 2003, personally appeared before me
Greg Jensen, the member of Penta Creeks,
L.L.C., a Utah limited liability company, who signed the foregoing instrument on behalf of
Penta Creeks, L.L.C: and acknowledged to me that he executed the same.

April Habana
Notary Public
Residing at: Hayward, Mn

My commission expires:
Jan. 31, 2007

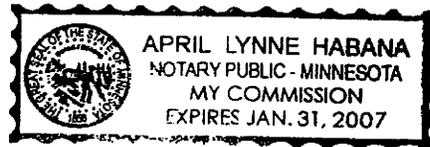


STATE OF Minnesota)
 : ss.
COUNTY OF Freeborn)

On the 12th day of March, 2003, personally appeared before me
Greg Jensen, the member of Magnificent
Seven, L.L.C., a Utah limited liability company, who signed the foregoing instrument on behalf
of Magnificent Seven, L.L.C., and acknowledged to me that he executed the same.

April Habana
Notary Public
Residing at: Hayward, Mn

My commission expires:
Jan. 31, 2007



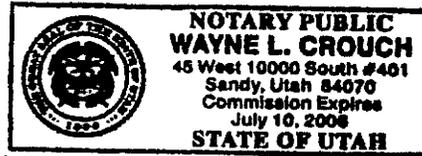
INCORPORATED
APR 07 2003
DIV OF OIL GAS & MINING

STATE OF UTAH)
) : ss.
COUNTY OF SALT LAKE)

On the 11th day of March, 2003, personally appeared before me Douglas H. Smith, the President of ANDALEX Resources, Inc., who signed the foregoing instrument on behalf of ANDALEX Resources, Inc. and acknowledged to me that he executed the same.

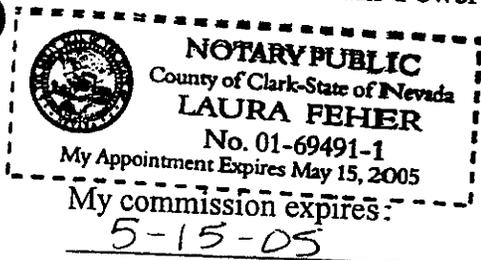
Wayne L Crouch
Notary Public
Residing at: Salt Lake County, Utah

My commission expires:
10 July 2006



STATE OF ~~UTAH~~ NEVADA)
) : ss.
COUNTY OF ~~SALT LAKE~~ CLARK)

On the 10 day of March, 2003, personally appeared before me Reed T. Searle, the General Manager of Intermountain Power Agency, who signed the foregoing instrument on behalf of Intermountain Power Agency and acknowledged to me that he executed the same.



Laura Feher
Notary Public
Residing at: LAS VEGAS, NV

INCORPORATED

APR 02 2003

DIV OF OIL GAS & MINING

APPENDIX 1-4F(b)

LEASE ASSIGNMENT

PENTA CREEK FEE LEASE EXTENSION #1
AUGUST 24, 2010

EXHIBIT B

MEMORANDUM OF UNDERGROUND COAL LEASE

THIS MEMORANDUM OF COAL LEASE made and entered into effective as of the 1st day of January, 2003, among PENTA CREEKS, L.L.C. (a.k.a. Penta Creek LLC), a Utah limited liability company and MAGNIFICENT SEVEN, L.L.C., a Utah limited liability company, collectively referred to as "Lessors," having a single address for purposes of this Lease of Howard Jensen Real Estate, 111 East Clark Street, Albert Lea, Minnesota 56007; and ANDALEX RESOURCES, INC., a Delaware corporation, with an address at P.O. Box 910, East Carbon, Utah 84520, and INTERMOUNTAIN POWER AGENCY, a political subdivision of the State of Utah, with an address at 480 East 6400 South, Murray, Utah 84107, each having an undivided 50% ownership interest in the leasehold estate created by this Lease as tenants in common and collectively referred to herein as "Lessee," having a single address do ANDALEX Resources, Inc., P.O. Box 910, East Carbon, Utah 84520.

WITNESSETH:

The parties hereto agree:

1 Upon the terms and conditions set forth in that certain Underground Coal Lease (hereinafter "Lease"), effective of even date herewith, all of which are hereby incorporated herein as if set forth in full, Lessors do hereby grant and lease unto Lessee for the purposes described in paragraph 2 of this Memorandum of Underground Coal Lease and in the Lease, all of the coal and any substance (whether solid, liquid or gaseous) mixed with or encountered when mining coal (all hereinafter referred to collectively as "coal") in and underlying those certain lands situated in Carbon County, State of Utah, more particularly described as follows, to-wit:

Township 14 South, Range 14 East, SLB&M

Section 6: Lots 2, 3, 4 and 5, SE1/4NW1/4, SW1/4NE1/4, NW1/4SE1/4,
S1/2SE1/4.

Comprising 352.36 acres, more or less.

2. The Underground Coal Lease grants to Lessee the exclusive right and privilege to explore for, mine (by any lawful underground mining method), remove, extract, store, prepare, ship and dispose of the coal and gas occurring in coal seams, beds or deposits when vented as a non-commercial substance in conjunction with coal development or extraction operations together with limited rights of access for environmental monitoring purposes. The leasing, exploration for, or development of other minerals or substances other than coal and substances mixed with coal shall not interfere in any way with the coal mining operations of the Lessee during the term of this Lease. Leases related to other minerals issued by Lessors after the date of this Lease shall be specifically made subject to the priority of the coal mining operations.

Section 6: Lots 2, 3, 4 and 5, SE1/4NW1/4, SW1/4NE1/4, NW1/4SE1/4,
S1/2SE1/4.

Comprising 352.36 acres, more or less

The parties agree that all other provisions of the LEASE shall remain in full force and effect.

IN WITNESS WHEREOF, with the intent to be legally bound hereby, the parties hereto have caused this Amendment to be executed as of the date and year first above written.

LESSORS:

PENTA CREEKS, L.L.C.

By: [Signature]

Its: [Signature]

MAGNIFICENT SEVEN, L.L.C.

By: [Signature]

Its: [Signature]

LESSEES:

ANDALEX RESOURCES, INC.

By: [Signature]

Its: Treasurer

INTERMOUNTAIN POWER AGENCY

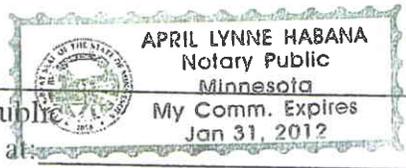
By: [Signature]

Its: [Signature]

INCORPORATED
SEP 29 2010
Div. of Oil, Gas & Mining

STATE OF Minnesota)
)
COUNTY OF Freeborn) : ss.

On the 29 day of Aug, 2010, personally appeared before me Greg Jewson, the partner of Penta Creeks, L.L.C., a Utah limited liability company, who signed the foregoing instrument on behalf of Penta Creeks, L.L.C. and acknowledged to me that he executed the same.

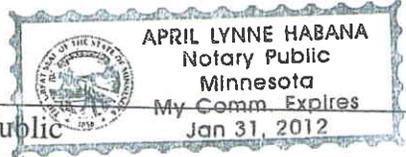


Notary Public
Residing at: _____

My commission expires:
1-31-2012

STATE OF Minnesota)
)
COUNTY OF Freeborn) : ss.

On the 29 day of Aug, 2010, personally appeared before me Greg Jewson, the partner of Magnificent Seven, L.L.C., a Utah limited liability company, who signed the foregoing instrument on behalf of Magnificent Seven, L.L.C. and acknowledged to me that he executed the same.



Notary Public
Residing at: _____

My commission expires:
1-31-2012

INCORPORATED
SEP 29 2010
Div. of Oil, Gas & Mining

STATE OF Ohio)
)
COUNTY OF Belmont : ss.
)

On the 26th day of August, 2010, personally appeared before me Robert D. Moore, the Treasurer of ANDALEX Resources, Inc., who signed the foregoing instrument on behalf of ANDALEX Resources, Inc. and acknowledged to me that he executed the same.



PENNY J. ELLIOTT
Notary Public
State of Ohio
My Commission Exp. Feb. 11, 2013

Penny Elliott
Notary Public
Residing at: 56854 Pleasant Ridge Rd
Alledonia, Ohio 43902

STATE OF Utah)
)
COUNTY OF Salt Lake : ss.
)

On the 30 day of August, 2010, personally appeared before me James A. Hewlett, the General Manager of Intermountain Power Agency, who signed the foregoing instrument on behalf of Intermountain Power Agency and acknowledged to me that he executed the same.



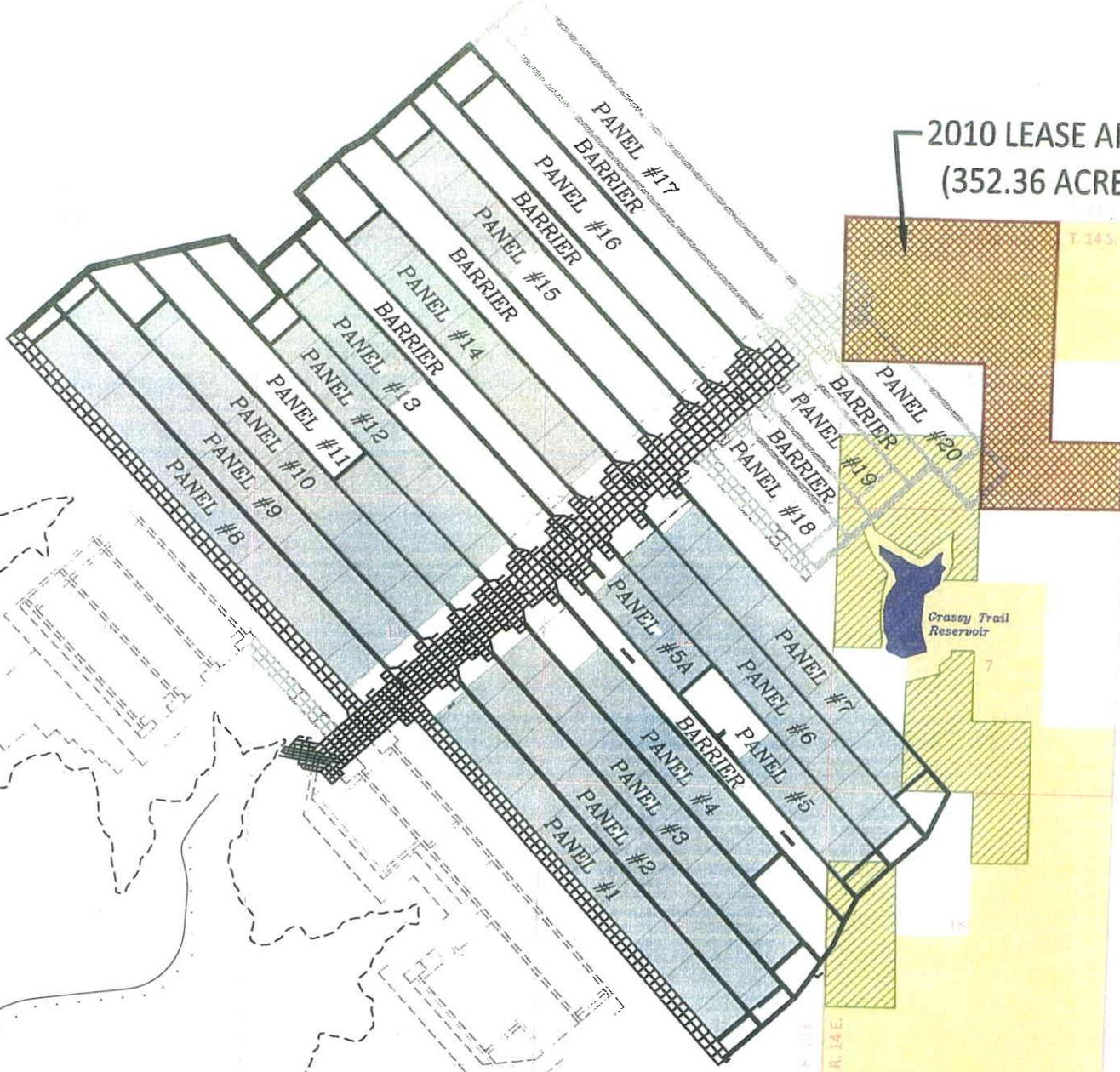
My commission expires:
9-1-2011

Krista R Paull
Notary Public
Residing at: 5161 S. 1130 W.
Taylorsville UT 84123

INCORPORATED
SEP 29 2010
Div. of Oil, Gas & Mining

Application 8-18-10.dwg, 2010 Lease Amendment, 8/19/2010 8:56:47 AM

2010 LEASE AREA
(352.36 ACRES)



1,500 0 3,000 6,000 FEET

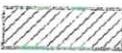
19
INCORPORATED
SEP 29 2010
Div. of Oil, Gas & Mining

EXHIBIT A PENTA CREEK 2010 LEASE



WEST RIDGE
RESOURCES INC.
794 NORTH "C" CANYON ROAD
EAST CARBON, UTAH 84520

LEGEND:

- PENTA CREEK /
MAGNIFICENT SEVEN 
- COAL OUTCROP 
- 2003 LEASE 
- 2010 LEASE 

DRAWN BY	PJ	SCALE	1" = 3000'
APPROVED BY	DH	DATE	19 AUGUST 2010

APPENDIX 1-4F(c)

LEASE ASSIGNMENT

PENTA CREEK FEE LEASE EXTENSION #2

MARCH 10, 2011

UNDERGROUND COAL LEASE

THIS UNDERGROUND COAL LEASE ("Lease") is entered into effective as of the 10th day of March, 2011, among Steven Ladlie, Penny Ladlie, Gary J. Pestorious, Dawn K. Pestorious, William Dress, Jeffrey Dress, Gregory D. Jensen as Trustee of the Gregory D. Jensen Trust, and Gregory D. Jensen, as Trustee of the SMJ Trust, collectively referred to as "Lessors," having a single address for purposes of this Lease of Greg Jensen Real Estate, 111 East Clark Street, Albert Lea, Minnesota 56007; and WEST RIDGE RESOURCES, INC., a Utah corporation, with an address at P.O. Box 910, East Carbon, Utah 84542 (hereinafter "Lessee").

WITNESSETH:

SECTION 1. Agreement to Lease.

Each of the Lessors, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Lessor, and in further consideration of the mutual covenants and agreements hereinafter set forth, does hereby lease unto Lessee those interests held by Lessors¹ in underground coal, including any substance (whether solid, liquid or gaseous) mixed with or encountered when mining coal, in the following land, such Lessor's interests in such lands hereafter the "Leased Premises," located in Carbon County, State of Utah, and more particularly described as follows, to-wit:

Township 14 South, Range 14 East, SLB&M

- Section 6: E1/2 NE1/4 (legally: Lot 1, SE 1/4 NE 1/4)
39.96 ac
- Section 7: SW1/4 NE1/4; NW1/4 SE1/4; SE1/4 SE1/4; SE1/4 NW1/4 except for real property described in that certain Quitclaim Deed dated September 25, 1998 and recorded on September 30, 1998 in Book 418 at Page 56 in the office of the Carbon County Recorder, Utah.
- Section 18: NE1/4 NE1/4

Comprising 295.40 acres, more or less.

Together with the following:

¹ Steven Ladlie and Penny Ladlie, as joint tenants, an undivided 25% interest; Gary J. Pestorious and Dawn K. Pestorious, as joint tenants, an undivided 25% interest; Will Dress and Jeffrey Dress, as tenants in common, an undivided 25% interest; Gregory D. Jensen, as Trustee of the Gregory D. Jensen Trust, an undivided 2/3 interest of a 25% interest; and Gregory D. Jensen, as Trustee of the SMJ Trust, an undivided 1/3 interest of a 25% interest.

A PARCEL OF LAND LOCATED IN CARBON COUNTY, STATE OF UTAH, WHICH IS IN THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 14 SOUTH, RANGE 14 EAST, SALT LAKE BASE AND MERIDIAN, BEING FURTHER DESCRIBED AS FOLLOWS WITH A BEARING OF NORTH 0°00'00" EAST, BETWEEN THE WEST QUARTER CORNER AND THE NORTHWEST CORNER OF SAID SECTION 7 USED AS THE BASIS OF BEARING, AND BEING MORE PARTICULARLY DESCRIBED ACCORDING TO THE FOLLOWING COURSES AND DISTANCES, TO-WIT:

BEGINNING AT A POINT WHICH IS LOCATED SOUTH 89°34'34" WEST, 577.93 FEET ALONG THE SECTION LINE AND SOUTH 0°25'26" EAST, 616.36 FEET FROM THE NORTH QUARTER CORNER OF SECTION 7, TOWNSHIP 14 SOUTH, RANGE 14 EAST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE SOUTH 02°41'16" EAST, 167.59 FEET TO A POINT HAVING AN ELEVATION OF 7620.9 FEET; THENCE ALONG THE FOLLOWING COURSES AND DISTANCES HAVING AN ELEVATION OF 7620.9 FEET, THENCE SOUTH 06°04'29" WEST, 57.48 FEET; THENCE SOUTH 15°31'01" WEST, 39.60 FEET; THENCE SOUTH 31°57'10 " WEST, 47.67 FEET; THENCE SOUTH 42°15'37" EAST, 50.63 FEET; THENCE SOUTH 00°42'36" EAST, 28.81 FEET; THENCE SOUTH 22°35'01" WEST, 44.34 FEET; THENCE SOUTH 25°42'34" WEST, 57.64 FEET; THENCE SOUTH 17°26'08" WEST, 67.42 FEET; THENCE SOUTH 37°19'52" WEST, 43.03 FEET; THENCE SOUTH 10°25'22" WEST, 38.28 FEET; THENCE SOUTH 27°18'51" WEST, 156.31 FEET; THENCE SOUTH 39°02'28" WEST, 53.40 FEET; THENCE SOUTH 45°00'45" WEST, 31.74 FEET; THENCE SOUTH 45°48'21" WEST, 99.45 FEET; THENCE SOUTH 21°28'34" WEST, 33.14 FEET; THENCE SOUTH 12°32'15" WEST, 78.54 FEET; THENCE SOUTH 06°45'46" WEST, 60.04 FEET; THENCE SOUTH 07°00'30" WEST, 41.44 FEET; THENCE SOUTH 03°29'47" EAST, 58.65 FEET; THENCE SOUTH 03°42'50" WEST, 89.17 FEET; THENCE SOUTH 06°39'56" WEST, 87.35 FEET; THENCE SOUTH 02°26'03" WEST, 131.79 FEET; THENCE SOUTH 01°48'02" WEST, 20.71 FEET; THENCE SOUTH 10°50'14" EAST, 121.17 FEET; THENCE SOUTH 02°51'32" EAST, 43.74 FEET; THENCE SOUTH 09°14'58" EAST, 44.46 FEET; THENCE SOUTH 22°58'03" EAST, 65.76 FEET; THENCE SOUTH 21°31'59" EAST, 167.75 FEET; THENCE LEAVING ELEVATION 7620.9 FEET; THENCE NORTH 90°00'00" EAST, 343.42 FEET; THENCE SOUTH 0°00'00" WEST, 203.21 FEET; THENCE SOUTH 49°46'54" WEST, 286.20 FEET; THENCE SOUTH 01°55'09" EAST, 150.27 FEET; THENCE SOUTH 74°29'37" WEST, 619.03 FEET TO THE EAST EDGE OF AN EXISTING ROAD; THENCE ALONG THE EAST EDGE OF AN EXISTING ROAD THE FOLLOWING FIVE CALLS; THENCE NORTH 33°21'55" WEST, 24.04 FEET; THENCE NORTH 24°08'49" WEST, 22.74 FEET; THENCE NORTH 16°21'28" WEST, 105.80 FEET; THENCE NORTH 10°56'05" WEST, 39.36 FEET; THENCE NORTH 4°35'47" WEST, 3.13 FEET TO THE EAST LINE OF LOT 3 OF SAID SECTION 7; THENCE NORTH 0°12'18" WEST, 403.37 FEET TO THE NORTHEAST CORNER OF SAID LOT 3; THENCE SOUTH 89°35'34" WEST, 305.92 FEET ALONG THE NORTH LINE OF SAID LOT 3; THENCE ALONG THE FOLLOWING COURSES AND DISTANCES HAVING AN ELEVATION OF 7620.9 FEET; THENCE NORTH 42°28'33" WEST, 10.05 FEET; THENCE NORTH 0°24'23" EAST, 87.17 FEET; THENCE NORTH 11°38'06" EAST, 63.67 FEET; THENCE NORTH 02°37'09" EAST, 59.99 FEET; THENCE NORTH 13°37'12" WEST, 51.20 FEET; THENCE NORTH 04°48'33" WEST, 116.52 FEET; THENCE NORTH 05°16'17" WEST, 58.68 FEET; THENCE NORTH 03°09'16" WEST, 32.25 FEET; THENCE NORTH

01°27'55" EAST, 239.53 FEET; THENCE NORTH 03°21'52" EAST, 64.03 FEET; THENCE NORTH 01°16'56" EAST, 79.58 FEET; THENCE NORTH 06°07'44" EAST, 64.79 FEET; THENCE NORTH 05°44'08 EAST, 67.38 FEET; THENCE NORTH 01°58'53" EAST, 59.43 FEET; THENCE NORTH 20°51'15" EAST, 41.86 FEET; THENCE NORTH 35°05'08" EAST, 54.15 FEET; THENCE NORTH 51°13'30" EAST, 77.72 FEET; THENCE NORTH 17°16'59" EAST, 15.12 FEET; THENCE NORTH 75°19'34" WEST, 74.24 FEET THENCE NORTH 13°07'54" EAST, 111.56 FEET; THENCE NORTH 26°10'10" EAST, 55.50 FEET; THENCE NORTH 05°47'47" EAST, 31.20 FEET; THENCE NORTH 27°33'55" WEST, 14.64 FEET; THENCE NORTH 44°03'09" WEST, 33.66 FEET; THENCE NORTH 34°27'47" WEST, 15.32 FEET; THENCE NORTH 32°53'17" WEST, 43.88 FEET; THENCE NORTH 30°47'37" WEST, 56.62 FEET; THENCE NORTH 35°50'20" WEST, 89.68 FEET; THENCE NORTH 48°39'14" WEST, 142.33 FEET; THENCE NORTH 31°05'31" WEST, 227.43 FEET; THENCE NORTH 21°04'32" WEST, 308.53 FEET CROSSING AN EXISTING ROAD; THENCE NORTH 68°55'28" EAST, 3.00 FEET; THENCE SOUTH 21°04'32" EAST, 60.19 FEET CROSSING AN EXISTING ROAD; THENCE SOUTH 57°07'04" EAST, 258.58 FEET; THENCE SOUTH 64°11'32" EAST, 119.79 FEET; THENCE SOUTH 59°28'18" EAST, 72.31 FEET; THENCE SOUTH 59°52'51" EAST, 43.41 FEET; THENCE SOUTH 46°34'03" EAST, 54.09 FEET; THENCE SOUTH 45°44'11" EAST, 46.23 FEET; THENCE SOUTH 79°53'05" EAST, 18.19 FEET; THENCE SOUTH 72°28'00" EAST, 28.13 FEET; THENCE SOUTH 66°07'17" EAST, 46.38 FEET; THENCE SOUTH 55°30'45" EAST, 63.83 FEET; THENCE SOUTH 50°26'19" EAST, 50.41 FEET; THENCE SOUTH 69°26'12" EAST, 90.12 FEET; THENCE SOUTH 58°53'36" EAST, 74.37 FEET; THENCE SOUTH 33°52'10" EAST, 38.44 FEET; THENCE SOUTH 71°49'18" EAST, 20.00 FEET; THENCE SOUTH 82°39'43" EAST, 3.68 FEET; THENCE NORTH 88°40'41" EAST, 55.25 FEET; THENCE NORTH 85°45'27" EAST, 66.99 FEET; THENCE NORTH 68°02'56" EAST, 30.93 FEET; THENCE NORTH 37°54'32" EAST, 138.07 FEET; THENCE NORTH 49°36'46" EAST, 133.26 FEET; THENCE LEAVING ELEVATION 7620.9 FEET GOING NORTH 48°56'09" EAST, 289.71 FEET TO THE POINT OF BEGINNING.

CONTAINS 44.52 ACRES, MORE OR LESS.

And excepting and reserving to Lessors, to the extent of their ownership interest therein, all water and water rights, and the right of Lessors to access, use and divert those waters and water rights, (collectively herein the "Subject Water Rights") as follows:

Water Right No. 91-1640, including the beneficial use for stockwatering purposes from a point on the Left Fork, Grassy Trail Creek, beginning in SW1/4SW1/4, Section 6, Township 14 South, Range 14 East, SLBM, to a point in the NE1/4SW1/4, Section 7, Township 14 South, Range 14 East, SLBM.

Water Right No. 91-3519, including the beneficial use for stockwatering purposes from a point on the Right Fork, Grassy Trail Creek in the NW1/4SE1/4, Section 6, Township 14 South, Range 14 East, SLBM, to a point in the SE1/4SW1/4, Section 6, Township 14 South, Range 14 East, SLBM.

Water Right No. 91-3520, including the beneficial use for stockwatering purposes from a point in the NE1/4NW1/4, Section 7, Township 14 South, Range 14 East, SLBM, to a point in the SE1/4NW1/4, Section 7, Township 14 South, Range 14 East, SLBM.

Subject to the following rights of way and agreements as they exist at the time of execution of this Lease:

- (1) Rights of third parties to access water rights on the leased premises.
- (2) Rights of way for roadways, both public and private as may exist over and across the leased premises.
- (3) Memorandum Agreement by and between Kaiser Steel Corporation and Frank Liddell and Effie Liddell, his wife, regarding cattle grazing and watershed control recorded February 20, 1958, as Entry No. 84105, in Book 53, at Page 204, Carbon County Recorder, Utah.
- (4) The right of ingress and egress granted to Sunnyside Fuel Corporation for the purpose of transporting, mining and removing tailings as contained in that certain Deed, Assignment and Bill of Sale recorded December 29, 1987, as Entry No. 19370, in Book 277, at Page 679, Carbon County Recorder, Utah.
- (5) Reservation of an easement for the delivery of Water Rights Nos. 91-362 and 91-367; also, a perpetual easement and right of way for water pipeline facilities including pipes, valves and related equipment with the right, privilege and authority to construct, operate, maintain, replace and repair said facilities under, over and across certain lands, as set forth and reserved in that certain Quit Claim Deed recorded March 27, 1996, as Entry No. 54278, in Book 370, at Page 121, Carbon County Recorder, Utah.
- (6) Right of way and Easements granted to East Carbon City and Sunnyside City for the following:
 - (A) For the purposes of maintaining the Grassy Trail Reservoir Dam and appurtenant works and pipelines.
 - (B) For the purposes of fluctuation of Grassy Trail Reservoir water levels and inundation of a subject property in conjunction with the operation, maintenance and repair of the Grassy Trail Reservoir Dam.
 - (C) For ingress and egress for the purpose of inspecting, measuring and insuring available flow of water.
- (7) An easement originally in favor of Defense Plant Corporation to construct, operate, maintain, reconstruct, enlarge, alter or remove a water pipeline through and across certain lands, together with all rights and privileges, incident thereto, recorded April 26, 1944, as Entry No. 42483, in Book 3-X, at Page 390, Carbon County Recorder, Utah. Said Easement further set forth in various instruments of record, including Notice of Agreement, recorded December 29, 1987, as Entry No. 19373, in Book 277, at Page 709, Carbon County Recorder, Utah.

(8) As easement 25 feet in width for an existing water line connecting Grassy Trail Reservoir in said Section 7 with the reservoir of East Carbon City in Section 6, Township 15 South, Range 14 East, together with all rights and privileges incident thereto, recorded October 27, 1983, as Entry No. 1415, in Book 233, at Page 182.

SECTION 2. Interest Leased.

This Lease covers and includes the Leased Premises, and also conveys unto the Lessee any reversionary, contingent or future interest now owned by Lessors or hereinafter acquired by Lessors, excluding, however, any rights of first refusal granted in that Quitclaim Deed dated September 25, 1998 and recorded on September 30, 1998 in Book 418 at Page 56 in the office of the Carbon County Recorder, Utah, together with all of the mining rights and privileges appurtenant to the aforesaid coal and incident to the ownership thereof. In further explanation of the rights granted to Lessee, this Lease is intended to include the following rights and privileges:

(a) The exclusive right and privilege to explore for, mine, remove, extract, store, prepare, ship and dispose of, by underground operations on the Leased Premises, the coal and gas occurring in coal seams, beds or deposits when vented as a non-commercial substance in conjunction with coal development or extraction operations, the right to enter into and through said Leased Premises, at such points and in such manner as may be necessary or convenient for the purpose of mining coal by any lawful underground mining method, provided that such access shall be underground and shall include, without limitation, the right to transport coal, mining equipment, men, supplies and any and all other things necessary or convenient in connection with the mining or transportation of coal underground from the portal of the general mining area. The rights and privileges granted to Lessee specifically exclude the right to use the surface of the Leased Premises to drill bore holes for the purpose of venting gas occurring in coal seams on the Leased Premises or to access such operations as well as the right to mine by surface strip mining methods.

(b) The right to have and use the free and uninterrupted underground right-of-way into and under said Leased Premises, at such points and in such manner as may be necessary or convenient to the mining, removal, processing and marketing of said coal.

(c) The right to transport under and through the Leased Premises any coal now or hereafter owned, leased or otherwise acquired by Lessee and located within the general mining area as hereinafter defined in Section 5.

(d) The right to include the Leased Premises or any portion thereof with other lands in the general mining area in any plan of unitization for coal or a Federal logical mining unit pursuant to any such unitization, and so that operations or mining in any portion of the Leased Premises shall be deemed operations or mining on the logical mining unit for Federal diligent development and continued operations requirements.

(e) To the extent not already owned by Lessee, the right to subside, collapse, sink, lower, and alter the surface, subsurface, and superadjacent strata of the Leased Premises as a result of Lessee's permitted operations hereunder. Lessee agrees to replace the Subject Water Rights (as defined in Section 1) for the period and to the extent Lessors can demonstrate that

Lessee's operations on the Leased Premises have proximately caused an adverse impact on the Subject Water Rights by contamination, diminution or interruption of such right. To the extent Lessee is authorized by Lessors to do so and it is both technologically and economically feasible under the circumstances, Lessee shall eliminate any condition on the surface of the Leased Premises caused by Lessee's mining operations that constitutes a hazard to the health and safety of the public. In addition, Lessee may, but shall not be obligated to, establish subsidence monitoring monuments within the boundaries of the Leased Premises. Subject to the limitations set forth below, Lessee shall have a right of passage for required environmental monitoring (including possession of a key to any locked gates) on roads on the lands of the Lessors in the vicinity of the Leased Premises that provide access to the general mining area. Uses shall include the right to collect data related to permitting and compliance requirements imposed by law and/or regulation, such as the collection of base line data, and monitoring having to do with hydrologic, wildlife, vegetation, seismic, subsidence and other environmental issues, together with the right to collect such environmental data and conduct such environmental monitoring as may be required by the governmental agencies having jurisdiction to obtain and maintain any and all permits and/or approvals required in order to conduct mining operations on the Leased Premises and in the general mining area. Lessee understands and agrees that the rights granted by Lessors to Lessee pursuant to this subsection (e) shall not necessarily survive a sale of the surface estate in the Leased Premises and shall be subject to renegotiation in the event the Lessors dispose of the Lessors' interest in this Lease. Persons conducting the required environmental monitoring authorized under this subsection (e) shall be instructed concerning the terms of this Lease and Lessee shall maintain a log of the persons conducting such activities and the date and time of such activities, which shall be available to Lessors upon request. Unless otherwise required by the laws, rules and regulations of a governmental authority having jurisdiction or authorized by Lessors, access to the surface to conduct such activities shall be limited to no more than a total of 12 days per year and it is currently anticipated that access will occur roughly quarterly with approximately three days of access per quarter. Annually, during the month of December, Lessee will provide Lessors with an outline of the required environmental monitoring activities Lessee anticipates it will conduct under this subsection (e) during the following calendar year. When feasible to do so, Lessee will notify Lessors one month in advance of any environmental monitoring activities to be conducted pursuant to this subsection (e). Nothing in this paragraph shall limit access to the surface to the extent it is required by a governmental authority having jurisdiction for purposes of inspection or other governmental activities related to the conduct of Lessee's coal mining operations.

The bonus and royalty payment provision contained in this Lease fully compensate Lessors for all the rights and privileges granted Lessee under this or any other provision of this Lease except as provided in this subsection (e) and Section 25.

SECTION 3. Rights Surviving.

At the termination of this Lease, either at the end of the term or prior thereto by cancellation or surrender, all rights granted to Lessee shall terminate; provided, that (i) Lessee shall have ninety (90) days in which to remove Lessee's machinery, equipment and other property from the Leased Premises; (ii) all obligations of Lessee shall cease, except (a) accrued obligations of Lessee as of the date the Lease is terminated, cancelled or surrendered, (b) the right of access to the surface, upon prior notification to Lessors, for the purposes of assessing

damage to or replacing the Subject Water Rights or assessing other subsidence damage to the Leased Premises and conducting repair, reclamation or environmental remediation on the surface and, (c) indemnification obligations set forth at Section 28.

SECTION 4. Lease Term.

Unless cancelled or voluntarily surrendered by Lessee at an earlier date as provided herein, the primary term of this Lease shall run for a period of five (5) years from and after the date hereof. This Lease shall continue so long thereafter as Lessee is engaged in diligent development efforts to mine coal on the Leased Premises, and the yearly mining of commercial quantities of recoverable coal reserves following the conclusion of diligent development efforts, unless excused by Force Majeure as defined in Section 19.

SECTION 5. General Mining Area.

The term "general mining area" as used in this Lease shall refer to the area included within the permit area and adjacent areas, as amended from time to time, as more particularly described in Lessee's mining permit for the WEST RIDGE Mine No. C007/041 (herein "coal permit"), and shall include, but not be limited to, all fee lands and all fee, county, state, and federal leases whether now owned or hereafter acquired.

SECTION 6. Compliance with Laws.

Lessee agrees to conduct all mining operations on the Leased Premises in a good and workmanlike manner and shall materially comply with and abide by all applicable Federal, state and local laws, rules, regulations and orders including, but not limited to environmental laws.

SECTION 7. Reserved Minerals.

The rights hereby granted to Lessee shall not include mining rights with respect to oils, gases or other minerals other than coal and substances (whether solid, liquid or gaseous, and including but not limited to gas or coalbed methane gas) mixed with or encountered when mining coal. Notwithstanding the foregoing, Lessee shall have the right to vent any gases or coalbed methane gases which are encountered in Lessee's mining operations as a safety measure, but Lessee shall not have the right to commercially exploit any such gases or coalbed methane gases. Lessee shall not have the right to use the surface of the Leased Premises to drill bore holes for the purpose of venting gas occurring in coal seams on the Leased Premises. The leasing, exploration for, or development of other minerals or substances other than coal and substances mixed with coal shall not interfere in any way with the coal mining operations of the Lessee during the term of this Lease. Leases related to other minerals issued by Lessors after the date of this Lease shall be specifically made subject to the priority of the coal mining operations.

Upon completion of its extraction operations on the Leased Premises, Lessee shall provide written notice of that completion to Lessors together with maps showing: (i) the extent of its underground operations, and (ii) any portion of the Leased Premises that Lessee will need to continue to utilize for access or other mining related purposes. Lessors shall then be free to allow development of other minerals or substances other than coal in those areas shown as no

longer needed by Lessee so long as such development does not interfere with the uses identified by Lessee in the notice.

SECTION 8. Payments.

Upon execution of this Lease, Lessee shall pay to Lessors, in the manner hereinafter provided, the amount of [REDACTED] (the "Initial Payment"). Said Initial Payment shall constitute a non-refundable prepayment of Lease Bonus Payments and Production Royalty Payments, as those terms are defined below, and shall be fully recoupable as herein provided.

Lessee shall further pay to Lessors, in the manner hereinafter provided, a lease bonus payment ("Lease Bonus Payment") on coal produced from the Leased Premises and all other property identified in Section 1 of this Lease ("Other Section 1 Property"), in the amount of [REDACTED] per ton (2,000 pounds). The Initial Payment and Lease Bonus Payment shall be recouped or payable at the same time as the Production Royalty Payment (as hereinafter defined in Section 9) is payable. The Production Royalty Payment shall be in the amount and shall be recouped at the time it is otherwise payable, as set out in Section 9.

At such time as the Initial Payment has been fully recouped by Lessee through setoff against the Lease Bonus Payments and Production Royalty Payments as they accrue, Lessee shall commence actual payment of the Lease Bonus Payments and the Production Royalty Payments.

SECTION 9. Production Royalty.

Lessee shall pay to Lessors as a production royalty ("Production Royalty Payment") for all coal actually mined, removed and sold from the Leased Premises and Other Section 1 Property the sum of eight percent (8%) of Gross Realization (as hereinafter defined in Section 10).

For purposes of determining the weight of the coal produced from the Leased Premises and Other Section 1 Property, Lessee shall complete volumetric calculations on a monthly basis as of the last day of each calendar month of all active mining areas contributing to the commingled coal produced from the general mining area and any other areas as to which coal is commingled prior to being weighed at the mine belt scale by Lessee.

A preliminary calculation of the weight of the coal produced from the Leased Premises plus Other Section 1 Property and other separately owned or leased properties shall be made by multiplying the total cubic feet of mined area during the month by 85 pounds per cubic foot and dividing by 2,000 pounds per ton to determine the preliminary tons of coal produced from the Leased Premises and Other Section 1 Property and all other premises contributing to the commingled coal. Based upon the preliminary calculation, the portion of the coal produced during the month from the Leased Premises and Other Section 1 Property plus each of the other properties shall be calculated as a percentage of total production. The percentage so determined shall then be used to determine the tonnage actually produced from the Leased Premises and Other Section 1 Property and from other leases or areas based upon the mine belt scale weights. It is the expressed intent of the parties that all weights be determined and allocated among the

Leased Premises, Other Section 1 Property, and all other leased properties as accurately as possible under the circumstances of Lessee's operations.

The method described above to allocate production of commingled coal under the provisions of this Lease have been determined to be acceptable for Federal lease purposes. In the event the method used to allocate commingled production for Federal lease purposes is changed, the provisions of this Lease will be deemed changed to reflect the new method. The parties agree to execute an amendment to this Lease to confirm any such change.

Lease Bonus Payments and Production Royalty Payment will be recouped or paid on coal sold. Lessee shall maintain a schedule on a monthly basis showing the total coal inventory available for sale broken down by the leases (including the Leased Premises and Other Section 1 Property) or property from which the coal was mined. Such schedules and sales allocations shall be available to Lessors upon request. Sales will be allocated by lease or property in proportion to the coal inventoried from each lease or property. The FIFO (first in-first out) accounting method will be used to allocate coal sales.

Lease Bonus Payment and Production Royalty Payments due and payable for coal actually mined, removed and sold from the Leased Premises and Other Section 1 Property during any calendar month shall be setoff against the Initial Payment or paid on or before the last day of the next succeeding calendar month.

SECTION 10. Gross Realization.

Gross realization shall have the same meaning as the term "gross proceeds" as defined from time to time in 30 C.F.R. Subpart F, with respect to federal coal leases within the general mining area. The value and time of payment for royalty purposes with respect to coal from the Leased Premises and Other Section 1 Property shall be determined under the provisions of such subpart applicable to federal ad valorem coal leases, including amendments thereto and administrative and judicial interpretation thereof which shall include, without limitation, any deductions, adjustments or allowances now existing or hereafter permitted in calculating royalty due under federal coal leases. Deductions include, but are not limited to, trucking and loading expenses.

SECTION 11. Depository for Payments.

Lessee shall pay the Initial Payment, Lease Bonus Payment and Production Royalty Payment to the Lessors on the basis of 25% to Steven Ladlie and Penny Ladlie; 25% to Gary J. Pectorious and Dawn K Pectorious, 25% to Will Dress and Jeffrey Dress, 2/3 of 25% to Gregory D. Jensen as Trustee of the Gregory D. Jensen Trust; and 1/3 of 25% to Gregory D. Jensen, as Trustee of the SMJ Trust. Lessors will provide to Lessee the identity of the depository bank and account information for such payments upon execution of this Lease.

All such payments of royalties shall be considered tendered when made by wire transfer, check or draft of Lessee or of any assignee of Lessee and mailed or delivered to Lessors or to the depository bank and accounts to be identified.

SECTION 12. Records and Accounts.

Lessee shall keep a true and correct record of all coal mined, removed and sold from the Leased Premises and Other Section 1 Property and all royalty calculations applicable thereto and shall permit Lessors or Lessors' agents at all reasonable times and at Lessors' expense to examine such records. On or before the last day of each calendar month following the date on which Lessee shall commence actual mining operations hereunder, Lessee shall furnish Lessors a true and correct statement showing the tons of coal actually mined, removed, and sold during the preceding calendar month from the Leased Premises and Other Section 1 Property, the general mining area, and all other areas whose production is commingled with coal mined from the Leased Premises and Other Section 1 Property prior to the first certified weighing of coal. The weight of coal mined, removed and sold from the general mining area shall be determined on scales properly installed, inspected and approved as accurate in accordance with the contracts under which the coal is sold by Lessee. Lessors, or their audit representatives, at Lessors' expense, shall have the right at any reasonable time or times to examine, audit and reproduce the records, vouchers and their source documents which serve as the basis for royalty payments. All such records of Lessee kept in the ordinary course of its business, and all payments made in accordance therewith, shall be presumed to be accurate after a period of three (3) years. In the event it is determined by a court of competent jurisdiction that Lessee has knowingly or materially misstated the weight of coal mined from the general mining area, Lessee will pay Lessors as liquidated damages an amount calculated as three times the amount of the difference between the production royalty actually paid Lessors and the production royalty that would otherwise have been due from the Leased Premises and other Section 1 Property had the weights been accurately calculated at the time of coal severance.

SECTION 13. Representations and Warranties.

(a) Representations of Lessors

1. LESSORS EXPRESSLY DISCLAIM ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE QUANTITY, QUALITY, MINEABILITY, MERCHANTABILITY OR MARKETABILITY OF COAL RESERVES WITHIN THE LEASED PREMISES.
2. Lessors make no warranty of title as to their ownership interest in the coal situated in the Other Section 1 Property as of the date of this Lease. Lessee agrees that if, on the date of this Lease, Lessors own an interest in the coal situated in the Other Section 1 Property less than the entire fee simple estate, the Lease Bonus Payment and Royalty Production Payment to be paid under this Lease shall not be reduced or eliminated. Lessee shall not have the right to suspend any payments due under this Lease in the event of any title dispute or title defect to coal within the Other Section 1 Property that existed as of the date of this Lease. Lessee agrees that it will pay the Lease Bonus Payment and Royalty Production Payment on each ton of coal mined and removed from the Other Section 1 Property even should Lessors be deemed not to have owned the coal as of the date of this Lease.

3. Lessors represent that they each have the power to own and lease the Leased Property, and to execute, deliver and carry out the terms and provisions of this Lease.
4. Lessors represent that the Lease will, upon execution, constitute the valid, binding obligation of Lessors, duly enforceable severally against each Lessor according to that Lessor's interest in the Leased Property, and will not conflict or violate the terms of any other agreement to which Lessors, individually or jointly, are bound. Gregory D. Jensen, as Trustee of the Gregory D. Jensen Trust and as Trustee of the SMJ Trust, represents that the execution of this Lease is permissible under the governing documents of such trusts, and violates no provisions of any agreements governing such trusts.

(b) Representations of Lessee

1. Lessee represents that it has made its own independent examination of the adequacy of the Leased Premises.
2. Lessee represents that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Utah, is qualified to do business and is in good standing as a foreign corporation authorized to do business in the State of Utah, that it has the power to own property, operate mines and to execute, deliver and carry out the terms and provisions of this Lease.
3. Lessee represents that the execution, delivery and performance of this Lease by Lessee has been fully authorized by all necessary actions. The Lease will, upon execution, constitute the valid, binding obligation of Lessee as its interests appear herein, duly enforceable against Lessee.

SECTION 14. Breach of Lease Obligations.

Breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this Lease or cause a termination or reversion of the rights hereby created, nor be grounds for cancellation hereof in whole or in part, except as herein expressly provided. In the event that Lessors consider that Lessee's mining operations are not at any time being conducted in compliance with this Lease, Lessors shall notify Lessee in writing of the fact relied upon as constituting a breach hereof, and Lessee, if in default under the Lease, shall have ninety (90) days after receipt of such notice in which to comply with the obligations imposed by this Lease. Should Lessee fail timely to comply with such obligations, Lessors may then terminate this Lease, provided, however, that neither notice nor attempted compliance shall be evidence that a breach has occurred. If the alleged default relates to a payment due Lessors under the Lease, Lessee shall have ten (10) days from receipt of such notice to remedy the payment default, whereupon, if the default is not remedied, Lessors may terminate this Lease.

SECTION 15. Obligations of Lessee.

Lessee agrees to diligently operate the Leased Premises unless precluded by Force Majeure, as defined in Section 19, and in a manner that results in the ultimate maximum economic recovery of coal from the Leased Premises.

The fact that Lessee may fulfill some or all of its obligations under a coal sales contract with production from the Leased Premises is not intended to nor shall it give Lessors any rights in or to said coal sales contract. Lessee shall not be required to mine, remove or pay any production royalty on unmerchantable coal or waste material, unless Lessee actually sells the same. Any amounts received by Lessee for a buyout, buydown or amendment to a coal sales contract shall not be deemed gross realization subject to royalty.

SECTION 16. Taxes.

Lessors covenant to pay promptly all taxes and assessments levied against the Leased Premises or any part thereof during the entire term of this Lease, and any renewal or extension hereto and if they fail to do so, or if there shall be any taxes or encumbrances now on the Leased Premises or any part thereof, Lessee may, without being obligated so to do, pay such taxes or encumbrances and any penalties thereon or redeem said Leased Premises from tax sale. Any payments so made may be considered as an advance against Lease Bonus Payments and Production Royalty Payments and may be credited on or deducted from Lease Bonus Payments and Production Royalty Payments as the same become due and payable under this Lease. Lessee shall pay all validly assessed and levied property taxes on its coal operations within the Leased Premises, its improvements, if any, and property and shall pay all of the taxes and fees, including but not limited to black lung payments, abandoned mine land fund fees and severance taxes, if any, validly assessed and levied against its rights in the coal covered by this Lease.

SECTION 17. Right of Surrender or Termination.

Lessee may at any time and from time to time, in its sole discretion upon thirty (30) days' prior written notice to Lessors, execute and transfer to Lessors or file for record, in the official records of the county where the Leased Premises are situated, a release or releases covering all or any portion of the Leased Premises and thereby surrender this Lease as to such portion of the Leased Premises and terminate from and after the date of such surrender all obligations as to the acreage surrendered, except those obligations to indemnify Lessors as provided herein at Section 25; replace Subject Water Rights as required herein; and to take such remedial actions as may be required by Lessee's coal permit or environmental laws.

SECTION 18. Energy Policy Act.

Lessors specifically acknowledge that prior to the execution of this Lease, they have been made aware of the provisions of § 2504(a)(1) of the Energy Policy Act of 1992, Public Law 102486, 106 Stat. 2776 (enacted October 24, 1992) (codified at 30 U.S.C. § 1309a), and they also hereby acknowledge that, with the exception of the replacement of the Subject Water Rights as provided herein at Section 2(f), the consideration provided for herein is intended to fully compensate Lessors for any and all damages and liability of Lessee to Lessors under § 2504(a)(1) of the Energy Policy Act for subsidence caused by underground mining operations

(to the extent they are owned by the Lessors) to any occupied residential dwelling and structures related thereto or to any non-commercial building, or for the effects of any underground coal mining operations on any state appropriated water supply in existence prior to Lessee's application for a coal mining and reclamation permit. Except as set forth herein, Lessors specifically waive any and all other rights they might have under § 2504(a)(1) of the Energy Policy Act and any regulations or State legislation implementing such Section, with regard to such damages or compensation or insurance therefor. Lessors agree to execute an express waiver of the rights described above with respect to those portions of the Leased Premises, if any, in which they own the surface estate. Notwithstanding the foregoing waiver of Lessors' rights under § 2504(a)(1) of the Energy Policy Act, Lessee's indemnity under Section 28 shall include any alleged noncompliance with § 2504(a)(1) or implementing statutes or regulations and any contamination arising from Lessee's use of the Leased Premises that is asserted by any party other than Lessors.

SECTION 19. Force Majeure.

Lessee shall not be deemed in default for failure to perform any of its obligations during periods in which performance is prevented by any cause reasonably beyond Lessee's control (any such cause being herein called "Force Majeure") such as, for example and not by way of limitation, fire, cave-in, floods, windstorms, other damage from the elements, strikes, riots, unavailability of transportation or necessary equipment, action of governmental authority, litigation, acts of God and acts of the public enemy. The duration of this Lease shall be extended, unless sooner terminated by Lessee by release as herein above provided, for a period equal to the period for which performance is suspended due to Force Majeure. All periods of Force Majeure shall be deemed to begin at the time Lessee provides actual notice of such Force Majeure to Lessors, and Lessor shall make commercially reasonable efforts to terminate any Force Majeure. Events of Force Majeure shall not excuse timely payment to Lessors for any Initial Payment, Bonus Lease Payment or Production Royalty Payment accrued prior to the time the Force Majeure is effective.

SECTION 20. Successors and Assigns.

This Lease states the entire consideration for each and all of the rights and privileges herein granted as a whole. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

SECTION 21. Assignment or Sublease.

Subject to thirty (30) days' advance written notice and approval, which approval shall not be unreasonably delayed or withheld, the estate of either party to this Lease may be subleased, assigned or transferred in whole or in part. Upon approval of the transfer of the coal permit by the State of Utah, Division of Oil, Gas and Mining, the Assignor/Lessee shall be relieved of all further obligations to the Lessors under this Lease. No change or division of ownership in the Leased Premises or in the royalties payable under this Lease shall (except at Lessee's option in any particular case) be binding upon Lessee until thirty (30) days after Lessee shall have been furnished, at its address shown above, with the original recorded instruments, or duly certified

copies thereof, properly evidencing the same. No such change or division of ownership shall operate to enlarge the obligations or diminish the rights of Lessee.

SECTION 22. Notices.

All notices shall be in writing and may be served in person, or may be given by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Lessors collectively or the individual party concerned at the respective addresses first above written and shall be deemed to have been duly given three days after the mailing thereof by certified mail, return receipt requested.

SECTION 23. Homestead and Dower.

Lessors, and each of them, hereby release and waive all rights of homestead and dower insofar as such rights may in any way affect the purpose for which this Lease is made.

SECTION 24. Genders.

Wherever used herein, the plural shall include the singular and vice versa, and each gender shall include the other as the text and tenor of this Lease shall indicate.

SECTION 25. Indemnification.

(a) Lessee will defend, hold harmless and fully indemnify Lessors against all claims or demands of any kind or nature which may be made upon Lessors or against Lessors' interest in the Leased Premises for, or on account of, any debt or expense contracted or incurred by Lessee in conducting its activities, as well as against any and all acts, transactions and omissions of Lessee, its employees, agents, contractors, subcontractors, lessees, partners or coventurers, licensees and suppliers in conducting such activities, and Lessee will defend and save Lessors harmless and fully indemnify Lessors as to liability or asserted liability, for, or on account of, injury to, or death of, any person or damage to any property sustained during the term of this Lease, alleged to have resulted from any such act or omission of Lessee, its employees, agents, contractors, subcontractors, lessees, partners, or coventurers, licensees and suppliers, or any unsafe condition of the Leased Premises created by Lessee or Lessee's operations. In addition, Lessee will pay, hold harmless and fully indemnify Lessors against any and all penalties or charges imposed upon Lessors by federal, state, or local authorities on account of Lessee's operations or Lessee's failure to comply with all laws, rules, regulations or orders of such authorities including, but not limited to environmental laws.

(b) Further, Lessee agrees to defend, hold harmless and fully indemnify Lessors from and against any and all claims of environmental damages and demands arising directly out of the operations that may be asserted by third parties, including but not limited to claims by individuals or groups, whether public or private by federal, state, or local agencies and/or by any other party bringing said action against Lessors, unless Lessors, or any person or instrumentality acting in Lessors' behalf shall have been a contributing cause to the event giving rise to such claim or demand. Lessors agree to cooperate with Lessee in the conduct of any suits arising from claims and demands under this subsection.

(c) Lessors will defend, hold harmless and fully indemnify Lessee against all claims or demands of any kind or nature which may be made upon Lessee or against Lessee's interest in the Leased Premises for, or on account of, any debt or expense contracted or incurred by Lessors in conducting their activities, as well as against any and all acts, transactions and omissions of Lessors, its employees, agents, contractors, subcontractors, lessees, partners or coventurers, licensees and suppliers in conducting such activities, and Lessors will defend and save Lessee harmless and fully indemnify Lessee as to liability or asserted liability, for, or on account of, injury to, or death of, any person or damage to any property sustained during the term of this Lease, alleged to have resulted from any such act or omission of Lessors, their employees, agents, contractors, subcontractors, lessees, partners, or coventurers, licensees and suppliers, or any unsafe condition of the Leased Premises created by Lessors or Lessors' operations.

SECTION 26. Lessors' Cooperation.

Lessors shall further cooperate with Lessee in any manner as may be reasonably necessary to assure the complete and full development of the coal contained in the Leased Premises, and Lessors shall execute and deliver to Lessee any and all documents, waivers, releases or covenants which may be needed, including, but not limited to any consent to mining which may be required under any current or future laws, rules or regulations of any Federal, State, or local government.

SECTION 27. Recording.

The parties agree that they will execute a Memorandum of Underground Coal Lease in a form substantially similar to that attached as Exhibit A, and that the executed Memorandum will be placed on record in the county containing the Leased Premises. This Lease will not be placed of record.

SECTION 28. Governing Laws.

This Lease shall be construed in accordance with and governed by the laws of the State of Utah.

SECTION 29. Time of the Essence.

Time is of the essence of this Lease and each and every term and provision hereof.

SECTION 30. Counterparts.

This Lease may be executed in counterparts.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

(Signature pages follow)

LESSORS:

Steven Ladlie
STEVEN LADLIE

Dated this 10 day of March, 2011

STATE OF California,
COUNTY OF Riverside ss.

On the 10th day of March, 2011, personally appeared before me Steven Ladlie who signed the foregoing instrument and acknowledged to me that he executed the same.



S. A. Bardsnes
Notary Public
Residing at: Palm Desert

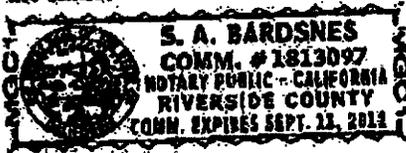
My commission expires: 9-13-12.

Penny Ladlie
PENNY LADLIE

Dated this 10 day of March, 2011

STATE OF California
COUNTY OF Riverside ss.

On the 10th day of March, 2011, personally appeared before me Penny Ladlie who signed the foregoing instrument and acknowledged to me that she executed the same.



S. A. Bardsnes
Notary Public
Residing at: Palm Desert

My commission expires: 9-13-12

GARY J. PESTORIOUS

By: Gary Pestorious

Its: _____

Date: 3/9/11

STATE OF Nevada)
COUNTY OF Clark) ss.

On the 9th day of March, 2011, personally appeared before me who signed the foregoing instrument and acknowledged to me that he executed the same.



[Signature]
Notary Public

Residing at: Mandalay Bay Hotel
3950 Las Vegas Blvd South
Las Vegas NV 89119

DAWN K. PESTORIOUS

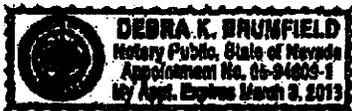
By: Dawn Pestorius

Its: _____

Date: 3/9/11

STATE OF Nevada)
COUNTY OF Clark) ss.

On the 9th day of March, 2011, personally appeared before me who signed the foregoing instrument and acknowledged to me that she executed the same.



Debra K. Brunfield
Notary Public

Residing at: Mandalay Bay Hotel
3150 Las Vegas Blvd South
Las Vegas NV 89119

My commission expires: 3-3-2013

William Dress

WILLIAM DRESS

Dated this 9th day of March, 2011

STATE OF Washington
COUNTY OF Benton

On the 9th day of March, 2011, personally appeared before me William Dress who signed the foregoing instrument and acknowledged to me that he executed the same.

Bonnie J. Johnson
Notary Public

Residing at: Pasco, WA

My commission expires: 8/22/13



Jeffrey Dress

JEFFREY DRESS

Dated this 9th day of March, 2011

STATE OF Washington
COUNTY OF Benton

On the 9th day of March, 2011, personally appeared before me Jeffrey Dress who signed the foregoing instrument and acknowledged to me that he executed the same.

Bonnie Johnson
Notary Public

Residing at: Prosser, WA

My commission expires: 5/22/13



LESSEE:

WEST RIDGE RESOURCES, INC.,

By: [Signature] one

Its: Treasurer

Date: 3/10/11

STATE OF Ohio)
 : ss.
COUNTY OF Belmont)

On the 10th day of March, 2011, personally appeared before me Robert D. Moore, the Treasurer of WEST RIDGE RESOURCES, INC., who signed the foregoing instrument on behalf of WEST RIDGE RESOURCES, INC. and acknowledged to me that he executed the same.



My commission expires:

DENISE R. JACKSON
Notary Public, State of Ohio
My Commission Expires 09/26/2015

Denise R. Jackson
Notary Public
Residing at: Belmont County

APPENDIX 1-4G(a)

LEASE ASSIGNMENT

HINKINS FEE LEASE
(DAVID P. HINKINS)

EXHIBIT A

MEMORANDUM OF UNDERGROUND COAL LEASE

THIS MEMORANDUM OF COAL LEASE made and entered into effective as of the 1st day of May, 2011, among DAVID P. HINKINS, TODD S. HINKINS and ROSS D. HINKINS, all as tenants in common, as to an undivided one-half interest in the Leased Premises described herein, collectively referred to as "Lessors" having an address for purposes of this Lease c/o Box 225 495 Orangerville UT 84537; and WEST RIDGE RESOURCES, INC., a Utah corporation, having an address at P.O. Box 910, 794 North "C" Canyon Road, East Carbon, Utah 84520, referred to herein as "Lessee."

WITNESSETH:

The parties hereto agree:

1. Upon the terms and conditions set forth in that certain Underground Coal Lease (hereinafter "Lease"), effective of even date herewith, all of which are hereby incorporated herein as if set forth in full, Lessor does hereby grant and lease unto Lessee for the purposes described in paragraph 2 of this Memorandum of Underground Coal Lease and in the Lease those certain lands situated in Carbon County, State of Utah, (referred to herein as the "Leased Premises") and more particularly described as follows:

Township 14 South, Range 14 East, SLB&M
Section 7: N1/2 NE1/4; SE1/4 NE1/4; NE1/4 SE1/4

2. The Underground Coal Lease grants to Lessee the exclusive right and privilege to explore for, mine (~~by any method~~), remove extract, store, prepare, ship and dispose of the coal and gas occurring in coal seams, beds or deposits when vented as a non-commercial substance in conjunction with coal development or extraction operations (provided such activities are not in violation of the Conservation Easement currently encumbering the Leased Premises), including but not limited to flaring any such gases or coalbed methane gases to generate carbon credits; provided that the right to commercially exploit such gas or coalbed methane gas shall be addressed in a separate agreement. The leasing, exploration for, or development of other minerals or substances other than coal and substances mixed with coal shall not interfere in any way with the coal mining operations of the Lessee during the term of this Lease. Leases related to other minerals issued by Lessors after the date of this Lease shall be specifically made subject to the priority of the coal mining operations.

^{DT} 3. The term of the Lease is for a primary term of five (5) years which commenced on May 26, 2011; and is subject to the right of the parties to mutually extend said term for an additional five (5) year period and so long thereafter as mining operations are being conducted by Lessee on the Leased Premises.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

LESSORS:

David P. Hinkins
DAVID P. HINKINS

Todd S. Hinkins
TODD S. HINKINS

Ross D. Hinkins
ROSS D. HINKINS

LESSEE:

WEST RIDGE RESOURCES, INC.,
a Utah corporation

By: David W. Hibbs
Its: President

STATE OF UTAH)
COUNTY OF Carbon) : ss.

On the 27th day of May, 2011, personally appeared before me David W. Hibbs, the President of WEST RIDGE RESOURCES, INC., who signed the foregoing instrument on behalf of WEST RIDGE RESOURCES, INC. and acknowledged to me that he executed the same.

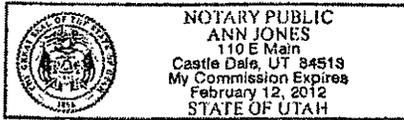
Linda Kerns
Notary Public
Residing at: 345 North 700 East, Price, Utah 84501

My commission expires:
March 27, 2013



STATE OF UTAH)
COUNTY OF Emery) : ss.

On the 26 day of May, 2011, personally appeared before me DAVID P. HINKINS, who duly acknowledged to me that he executed the same.

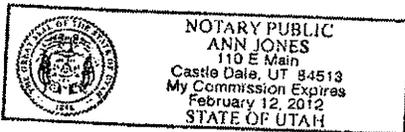


Ann Jones
Notary Public
Residing at: Castle Dale

My commission expires:
2.12.12

STATE OF UTAH)
COUNTY OF Emery) : ss.

On the 26 day of May, 2011, personally appeared before me ROSS D. HINKINS, who duly acknowledged to me that he executed the same.

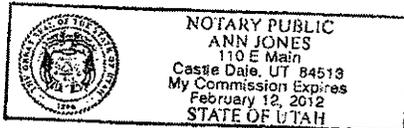


Ann Jones
Notary Public
Residing at: Castle Dale

My commission expires:
2.12.12

STATE OF UTAH)
COUNTY OF Emery) : ss.

On the 26 day of May, 2011, personally appeared before me TODD S. HINKINS, who duly acknowledged to me that he executed the same.



Ann Jones
Notary Public
Residing at: Castle Dale

My commission expires:
2.12.12

APPENDIX 1-4G(b)

LEASE ASSIGNMENT

HINKINS FEE LEASE
(EMILY P. MARSTON)

EXHIBIT A

MEMORANDUM OF UNDERGROUND COAL LEASE

THIS MEMORANDUM OF COAL LEASE made and entered into effective as of the 1st day of Apr. 1, 2011, by and between **EMILY P. MARSTON**, as to an undivided one-quarter interest in the Leased Premises described herein, referred to as "Lessor," having an address of 843 Grenoble Drive, Midvale, Utah 84047; and **WEST RIDGE RESOURCES, INC.**, a Utah corporation, having an address at P.O. Box 910, 794 North "C" Canyon Road, East Carbon, Utah 84520, referred to herein as "Lessee."

WITNESSETH:

The parties hereto agree:

1. Upon the terms and conditions set forth in that certain Underground Coal Lease (hereinafter "Lease"), effective of even date herewith, all of which is incorporated herein as if set forth in full, Lessor does hereby grant and lease unto Lessee for the purposes described in paragraph 2 of this Memorandum of Underground Coal Lease and in the Lease those certain lands situated in Carbon County, State of Utah, (referred to herein as the "Leased Premises") and more particularly described as follows:

Township 14 South, Range 14 East, SLB&M
Section 7: N1/2 NE1/4; SE1/4 NE1/4; NE1/4 SE1/4

2. The Underground Coal Lease grants to Lessee the exclusive right and privilege to explore for, mine, remove extract, store, prepare, ship and dispose of the coal and gas occurring in coal seams, beds or deposits when vented as a non-commercial substance in conjunction with coal development or extraction operations, including but not limited to flaring any such gases or coalbed methane gases to generate carbon credits; provided that the right to commercially exploit such gas or coalbed methane gas shall be addressed in a separate agreement. The leasing, exploration for, or development of other minerals or substances other than coal and substances mixed with coal shall not interfere in any way with the coal mining operations of the Lessee during the term of this Lease. Leases related to other minerals issued by Lessor after the date of this Lease shall be specifically made subject to the priority of the coal mining operations.

3. The term of the Lease is for a primary term of five (5) years which commenced on April 14, 2011; and is subject to the right of Lessee to extend said term for an additional five (5) year period and so long thereafter as mining operations are being conducted by Lessee in the general mining area.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

LESSOR:

Emily P. Marston
EMILY P. MARSTON

LESSEE:

WEST RIDGE RESOURCES, INC.,
a Utah corporation

By: David W. Hibbs
Its: President

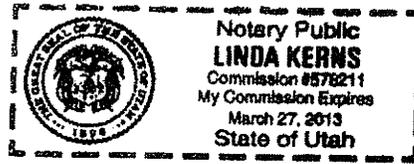
STATE OF UTAH)
COUNTY OF Carbon : ss.

On the 22nd day of April, 2011, personally appeared before me David W. Hibbs, the President of WEST RIDGE RESOURCES, INC., who signed the foregoing instrument on behalf of WEST RIDGE RESOURCES, INC. and acknowledged to me that she executed the same.

Linda Kerns
Notary Public
Residing at: 345 North 700 East, Price, Ut. 84501

My commission expires:

March 27, 2013



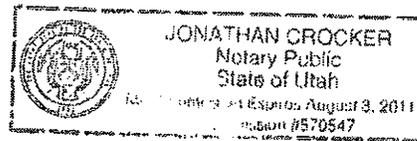
STATE OF UTAH)
COUNTY OF Salt Lake : ss.

On the 20th day of April, 2011, personally appeared before me EMILY P. MARSTON, who duly acknowledged to me that she executed the same.

Jonathan Crocker
Notary Public
Residing at: 995 E. Fort Union Blvd. Midvale, UT 84047

My commission expires:

August 3, 2011



APPENDIX 1-4G(c)

LEASE ASSIGNMENT

HINKINS FEE LEASE
(LEONARD J. PAGANO)

EXHIBIT A

MEMORANDUM OF UNDERGROUND COAL LEASE

THIS MEMORANDUM OF COAL LEASE made and entered into effective as of the 1st^{19~~th~~} day of April, 2011, by and between **LEONARD J. PAGANO**, as to an undivided one-quarter interest in the Leased Premises described herein, referred to as "Lessor," having an address at 55 West Main Street, Price, Utah 84501; and **WEST RIDGE RESOURCES, INC.**, a Utah corporation, having an address at P.O. Box 910, 794 North "C" Canyon Road, East Carbon, Utah 84520, referred to herein as "Lessee."

WITNESSETH:

The parties hereto agree:

1. Upon the terms and conditions set forth in that certain Underground Coal Lease (hereinafter "Lease"), effective of even date herewith, all of which is hereby incorporated herein as if set forth in full, Lessor does hereby grant and lease unto Lessee for the purposes described in paragraph 2 of this Memorandum of Underground Coal Lease in those certain lands situated in Carbon County, State of Utah, (referred to herein as the "Leased Premises") and more particularly described as follows:

Township 14 South, Range 14 East, SLB&M
Section 7: N1/2 NE1/4; SE1/4 NE1/4; NE1/4 SE1/4

2. The Underground Coal Lease grants to Lessee the exclusive right and privilege to explore for, mine, remove extract, store, prepare, ship and dispose of the coal and gas occurring in coal seams, beds or deposits when vented in conjunction with coal development or extraction operations including but not limited to flaring any such gases or coal bed methane gases to generate carbon credits; provided that the right to commercially exploit such gas or coalbed methane gas shall be addressed in a separate agreement. The leasing, exploration for, or development of other minerals or substances other than coal and substances mixed with coal shall not interfere in any way with the coal mining operations of the Lessee during the term of this Lease. Leases related to other minerals issued by Lessor after the date of this Lease shall be specifically made subject to the priority of the coal mining operations.

3. The term of the Lease is for a primary term of five (5) years which commenced on April 19, 2011; and is subject to the right of Lessee to extend said term for an additional five (5) year period and so long thereafter as mining operations are being conducted by Lessee in the general mining area.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

LESSOR:

Leonard J. Pagano
LEONARD J. PAGANO

LESSEE:

WEST RIDGE RESOURCES, INC.,
a Utah corporation

By: David W. Hibbs
Its: President

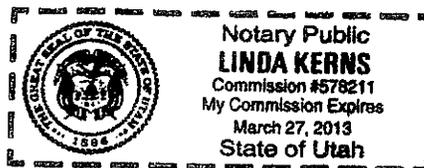
STATE OF UTAH)
COUNTY OF Carbon : ss.

On the 19th day of April, 2011, personally appeared before me David W. Hibbs, the President of WEST RIDGE RESOURCES, INC., who signed the foregoing instrument on behalf of WEST RIDGE RESOURCES, INC. and acknowledged to me that he executed the same.

Linda Kerns
Notary Public
Residing at: 345 North 700 East, Price, ut 84501

My commission expires:
March 27, 2013

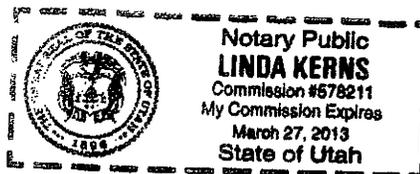
STATE OF UTAH)
COUNTY OF Carbon : ss.



On the 19th day of April, 2011, personally appeared before me LEONARD J. PAGANO, who duly acknowledged to me that he executed the same.

Linda Kerns
Notary Public
Residing at: 345 North 700 East, Price, utah 84501

My commission expires:
March 27, 2013



CHAPTER 5.....REPLACEMENT PAGES

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APPENDIX 5-16	Grassy Trail Dam and Reservoir Mining-Induced Seismicity Summary Report, 2008
APPENDIX 5-17	Grassy Trail Dam and Reservoir Mining-Induced Seismicity Summary Update Report (RB&G Engineering, 2010)

detectable affects from the mining of panel number 7. The proposed panels are further distant from the reservoir and much further from the Grassy Trails Reservoir dam. Also, the new panel-barrier design has reduced dramatically the amount and intensity of any mining induced seismicity or subsidence. Additionally, this mining plan will comply with the lease stipulation to not subside perennial streams, unless authorized, as the Left Fork Whitmore Canyon Stream will be under a barrier pillar and no full extraction mining is planned under the stream.” A copy of the approved R2P2 for panels 18-20 is included in Appendix 5-3C. As with the previous mining of panel 7, the company commits to conducting the same level of intensive monitoring of the dam during mining of panel block 18-20, as previously approved by the regulatory agencies, as stated above. This monitoring plan has been updated for panel block 18-21, and is included in Appendix 5-13A.

As mentioned in the BLM approval letter, mining of panel block 18-20 will be further distance away from the Grassy Trail dam than with panel 7. Panel 7 mined within 995' (horizontal) from the dam, while the closest mining from Block 18-20 would be more than 3000' (horizontal) away. Also, panel 7 was about 1664' stratigraphically lower than the dam, while panel block 18-20 is located more than 2200' lower than the dam. The hypocentral distance of panel 7 was 1939' from the dam, compared to 3723' for the closest distance for panel block 18-21. Also, panel 7 was mined using side-by-side panels, whereas panel block 18-20 will be mined as panel-barrier, further reducing the potential for seismicity.

In the 2005 approval of Panel 7, BLM added a special stipulation #17 to the federal lease related specifically to the Grassy Trail Reservoir, stating, *“The Lessee is and will remain liable for any and all damages or hazardous conditions resulting from the mining operations under the lease.”* This new 2010 BLM approval for panel block 18-20 contains reference to this same lease stipulation #17. It should also be noted that, as with previous mining of panel 7, the Utah Division of Dam Safety will have authority to stop any longwall mining of panel block 18-21 if it determines that mining-related seismicity or subsidence is creating, or has created, an unacceptable level of risk to the Grassy Trail dam or reservoir, based on monitoring at the time.

On June 17, 2011, BLM approved longwall panel 23 within the Federal lease modification UTU-78562 (see Appendix 5-3D).

525.300 Public Notice of Proposed Mining

No coal mining will be conducted under any buildings, facilities or impoundments (other than the recreational cabin referred to in 521.120). The BLM will be kept informed as to the dates and locations of mining activities. All owners of surface property and structures (BLM) above the underground works will receive notification at least six months prior to mining of the specific areas in which mining will take place, dates of mining and the location at which the subsidence control plan may be examined.

525.480 State Appropriated Water Replacement Mitigation

APPENDIX 5-3D

BLM R2P2
APPROVAL OF LONGWALL PANEL 23

APPENDIX 5-3D

BLM R2P2
APPROVAL OF LONGWALL PANEL 23



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District, Price Field Office

125 South 600 West

Price, UT 84501

Phone: (435) 636-3600 Fax: (435) 636-3657

<http://www.blm.gov/ut/st/en/fo/price.html>



IN REPLY REFER TO:

3482 (UTG023)

SL-068754

UTU-78562

JUN 17 2011

CERTIFIED MAIL--7010-1870-0002-7017-3934

RETURN RECEIPT REQUESTED:

Mr. David Hibbs
President
Utah American Energy, INC.
P.O. Box 910
East Carbon, Utah 84520

**Re: Minor Modification to Resource Recovery and Protection Plan, Longwall Panel # 23,
West Ridge Mine, Utah American Energy, Inc.**

Dear Mr. Hibbs:

The Bureau of Land Management (BLM) received from Utah American Energy, Inc. (UEI), a minor modification to the approved resource recovery and protection plan (R2P2) on May 25, 2011, to add an additional longwall panel (long-wall panel # 23) at the subject mine. Successful mining of previous longwall panels at depth using panel-barrier design and the acquisition of State of Utah coal lands are reasons for UEI to modify the R2P2. The area of the mine where this additional longwall panel is proposed is partially on the northeast corner of Federal coal lease UTU-78562 with the majority of the longwall panel on State of Utah coal lease ML-51744.

Proposed Plan: UEI proposes to mine an additional longwall panel on the northwest side of the Main Entries. This longwall panel will be developed with two sets of two entry development gate roads, on the tailgate side, as well as a standard head gate two entry development system. The two sets of tailgate entries would be separate entries used for ventilation bleeders and tailgate return entries. This proposed longwall panel (numbered # 23 from previously approved panel sequencing but also numbered # 18 in numerically extracted sequencing) would be of standard 850 feet wide and some 3200 feet long. The length of the panel is bounded by the increased depth of the coal from the next ridge rise on the northwest (approximately 3500 feet of

cover). The previously approved R2P2 showed no further mining northeast past longwall panel # 17.

UEI has acquired the lease rights to State of Utah coal in section 36 where most of the proposed longwall panel is located. In addition, UEI points to the successful panel-barrier design configuration that has been employed for the last three longwall panels as justification to add an additional longwall panel at depth at this mine. UEI has also submitted a copy of the Inter-panel Barrier and Tailgate Pillar Stability design analysis and report along with Mine Safety and Health Administration's (MSHA) letter of adequacy and acceptance of the stability analysis. We have also acquired a copy of MSHA's Approved Roof Control Plan Amendment for panels 19 to 23 which references the previous approval of panels 17 and 18. From our review of the submission, we agree with the proposal and justifications to add panel # 23 (the same panel numbered # 18 in MSHA's submittal) to the R2P2.

In addition, UEI is proposing to use this double two entry bleeder system configuration on one longwall panel on the right side of the Main Entries, named 14th East. This change affects only the development entries of this approved longwall panel. The change will improve the ventilation system for the longwall panels.

Approval: The R2P2 modification is approved as submitted for longwall panel # 23 for only the portions of the mining area on Federal coal lease UTU-78562. As you are aware, approval for the coal lands not on Federal coal (State coal leases ML-47711 and ML-51744) will require approval from State of Utah School and Institutional Trust Lands Administration. Authorization to mine this panel is subject to all conditions and approvals from MSHA. In addition, the longwall development entry configuration (two sets of two entry tailgate and bleeders entries, 14th East) on the right side of the Main Entries is also approved as shown on the enclosed approval map. Only a short beginning length of the 14th East development entries is on the Federal coal lease. The lengths of the longwall panels on this right side may change from ongoing proposed changes but all are on non-federal coal and will not affect this approval.

As part of this approval, the certified mine map needs to be consistent in naming the appropriate longwall panels with other agency submissions such as with MSHA and Utah Division of Oil Gas and Mining. One longwall naming or numbering convention needs to be established for all agencies involved. Please update the certified mine map with the established longwall numbering convention and provide evidence to this office within 30 days.

Maximum Economic Recovery (MER): Addition of this longwall panel will add additional recoverable coal to the R2P2 and will achieve MER for Federal coal lease UTU-78562.

Recoverable Reserve Base: By adding panel # 23 to the R2P2, the recoverable reserves for Federal coal lease UTU-78562 will be increased from 12,345,613 tons to 12,487,642 tons, an increase of 142,029 tons. The recoverable reserves for the other Federal coal lease at the mine SL-068745 remains the same at 17, 827,365 tons.

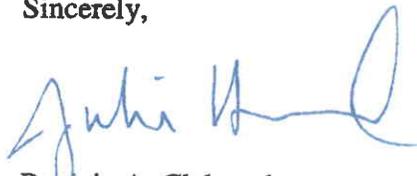
National Environmental Policy Act (NEPA): No new surface disturbance is predicted with this plan change, and therefore this action is Categorically Excluded from NEPA analysis as

explained in the Department manual (45 DM Part 516 11.5 (F)(8)): Approval of minor modifications to, or minor variances from activities described in an approved underground or surface mine plan for leasable minerals (e.g., change in mining sequence or timing).

The BLM has determined that this modification complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, and the lease terms and conditions. The modification is approved as depicted on the enclosed mine map with regards only to the Federal coal on lease UTU-78562.

If you have any questions, please contact Steven Rigby at 435-636-3604 or Stephen Falk at 435-636-3605 of my staff.

Sincerely,



Acting for Patricia A. Clabaugh
Field Office Manager

Enclosure:

Approved Mine Map

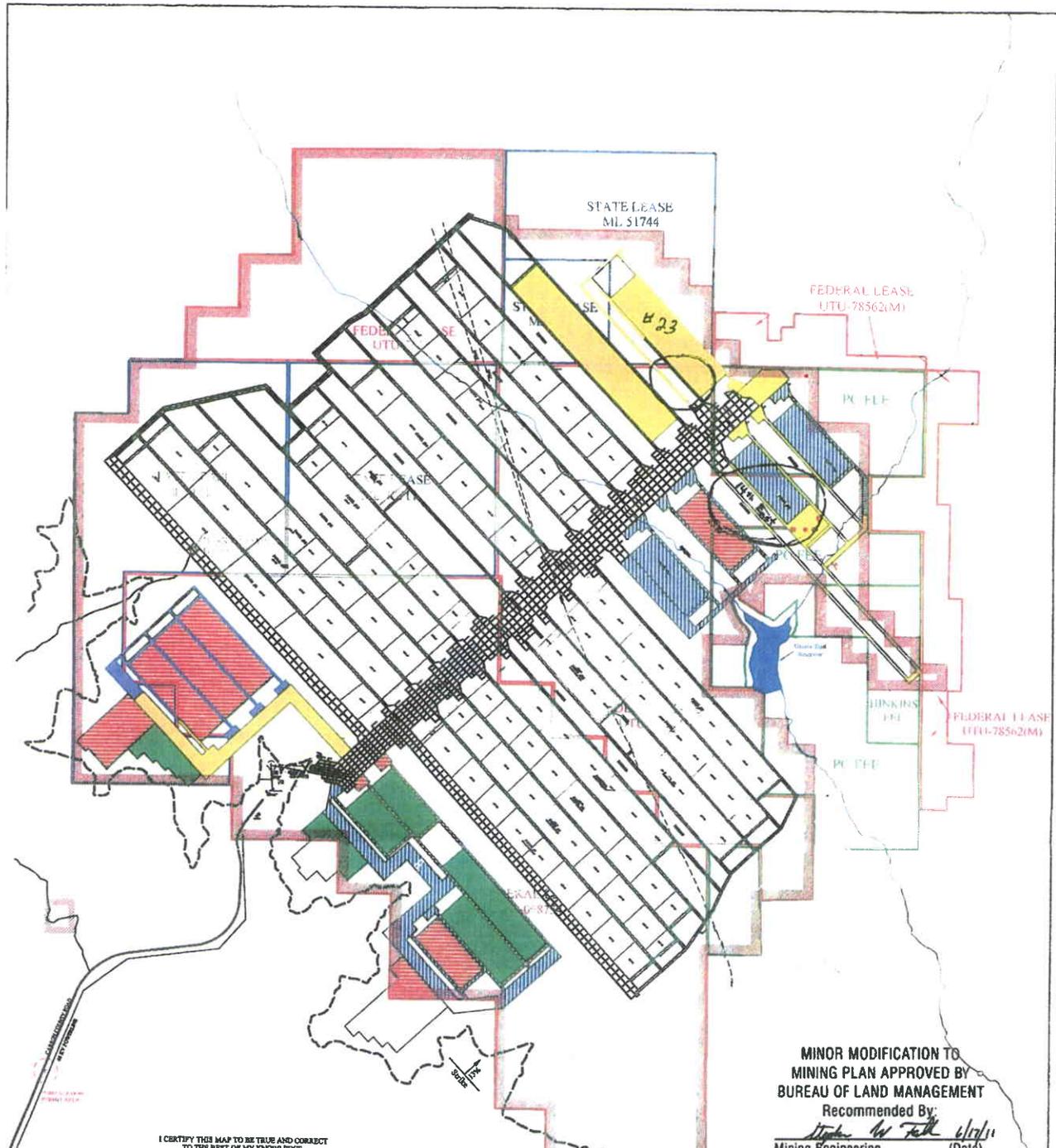
cc: Green River District (UT011)

Utah State Office (UT923)

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

State of Utah
School and Institutional Trust Land Administration
675 East 500 South
Salt Lake City, Utah 84102-2818

Mine Safety and Health Administration
P. O. Box 25367
Denver, Colorado 80225-0376



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



MINOR MODIFICATION TO MINING PLAN APPROVED BY BUREAU OF LAND MANAGEMENT

Recommended By: *Stephen W. Felt* 6/17/11
Mining Engineering (Date)

Acting
Approved By: *John [Signature]*
Area Manager (Date)

YEAR KEY:

- 2011
- 2012
- 2013
- 2014

NOTE:
Mine projections are subject to change depending on conditions encountered in the underground mine workings.
Actual mine works are shown as of April 19, 2011.
Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions.
No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements.
West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary.

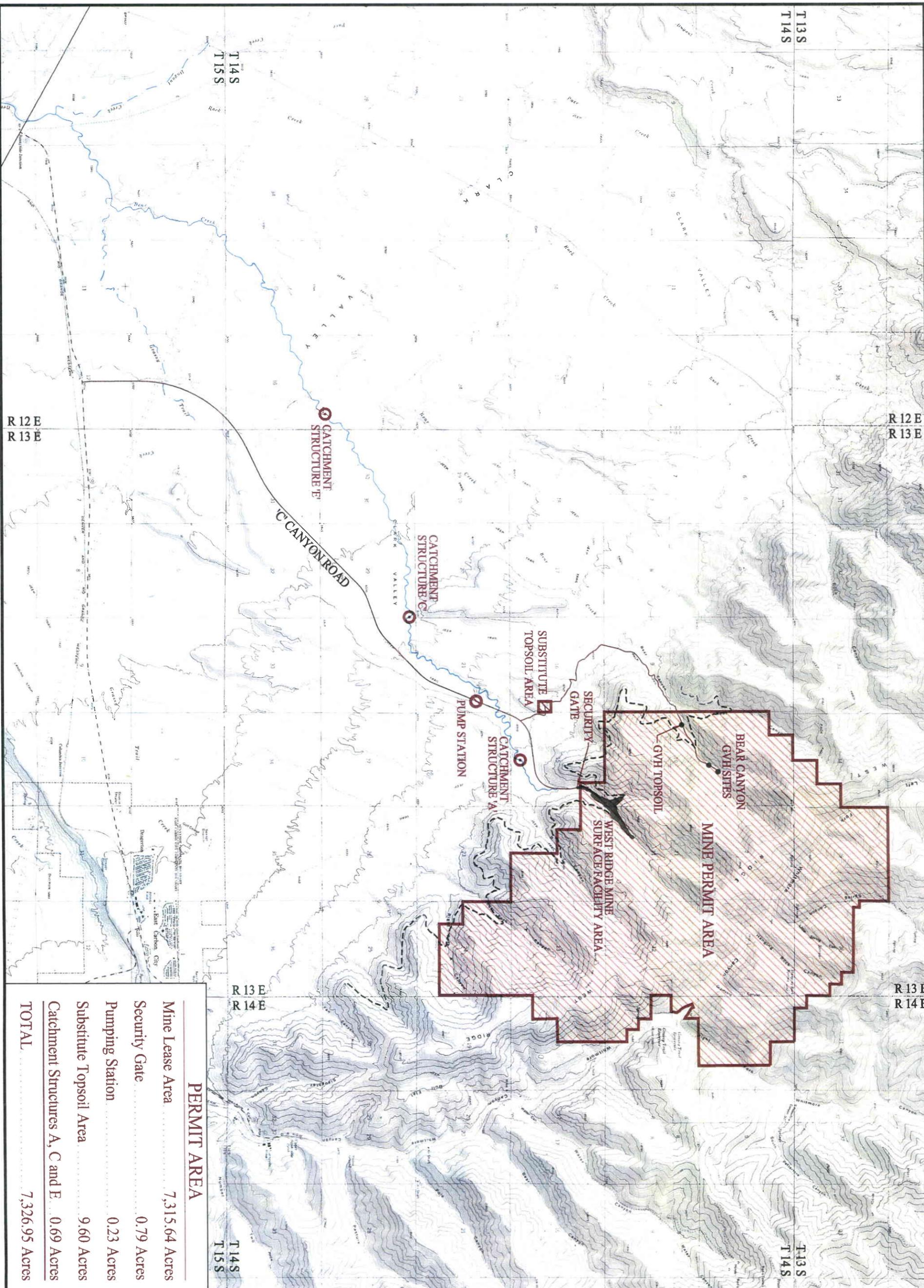
WEST RIDGE MINE
Map 5-4A
Mining Projections

- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Private Fee
 - Surface Facility Area
 - GVH Site
 - Outcrop



WEST RIDGE
RESOURCES, INC.

MAPS

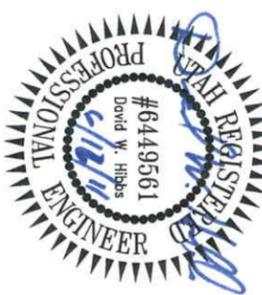


PERMIT AREA	
Mine Lease Area	7,315.64 Acres
Security Gate	0.79 Acres
Pumping Station	0.23 Acres
Substitute Topsoil Area	9.60 Acres
Catchment Structures A, C and E	0.69 Acres
TOTAL	7,326.95 Acres

WEST RIDGE MINE
 Map 1-0, Permit Map
 Map 1-1, Location Map

LEGEND:

- Lease Areas
- Surface Facility Area
- GVH Site
- Outcrop

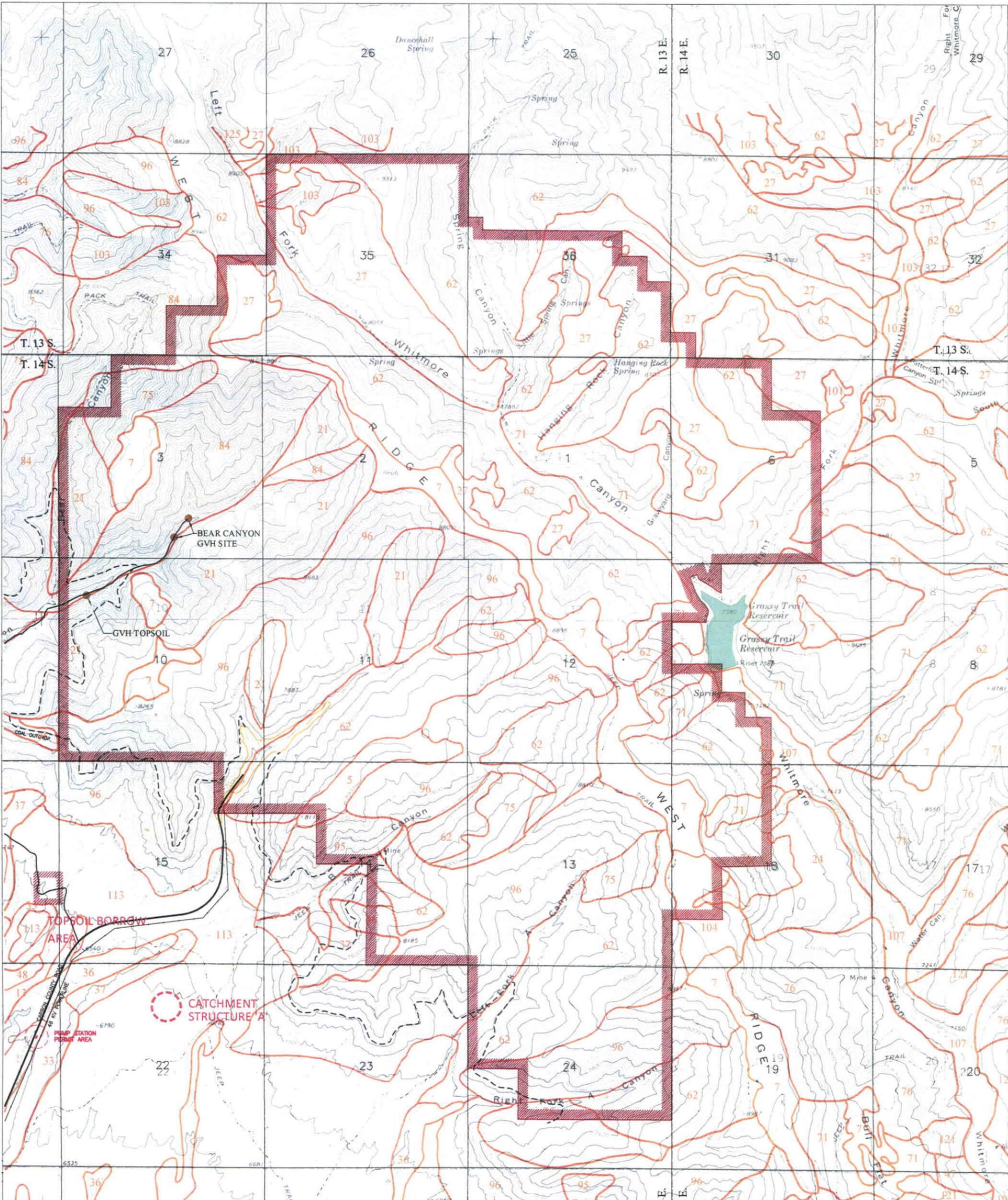


I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=5000'



SOIL MAP UNITS

- | | |
|---|--|
| 5 Beje complex | 75 Perma family, 15 to 40 percent slopes |
| 7 Beje-Trag complex | 76 Perma family-Datum complex |
| 21 Croxdon loam, 8 to 30 percent slopes | 84 Peds-Rock outcrop complex |
| 24 Dainco Variant very stony loam, 50 to 80 percent slopes | 95 Rock outcrop |
| 27 Doacs-Toze families complex | 96 Rock outcrop-Rubblitand-Travessillo complex |
| 35 Gers-Badland-Rubblitand complex, 15 to 50 percent slopes | 103 Sencher loam, 3 to 15 percent slopes |
| 36 Gers-Strich-Badland complex, 3 to 50 percent slopes | 104 Sencher-Toze family complex |
| 37 Gers-Strich-Badland complex, 50 to 70 percent slopes | 107 Sencher family, 3 to 15 percent slopes |
| 48 Haverdall loam, 4 to 8 percent slopes | 107 Shupert-Wioco complex |
| 49 Haverdall loam, alkali, 0 to 3 percent slopes | 113 Strich very stony loam, 3 to 15 percent slopes |
| 52 Hernandez family, 3 to 8 percent slopes | 125 Uta-Toze families complex |
| 62 Midfork family-Comodore complex | |
| 71 Patialk extremely boulders, fine sandy loam, 40 to 70 percent slopes | |

Catchment Structures C and E (Permit Areas)

Catchment Structure C: Soil Unit 36

Catchment Structure E: Soil Unit 49

See Appendix 5-15; Attachment 11

See Map 1-1 for Catchment Locations

Source: Carbon County Soil Survey,

U.S.D.A., Soil Conservation Service

I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

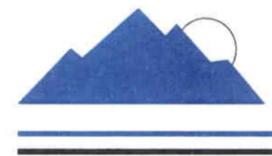
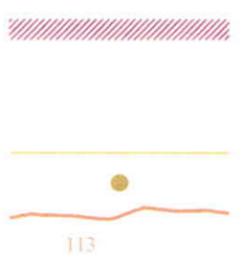


WEST RIDGE MINE

Map 2-1

Regional Soil Map

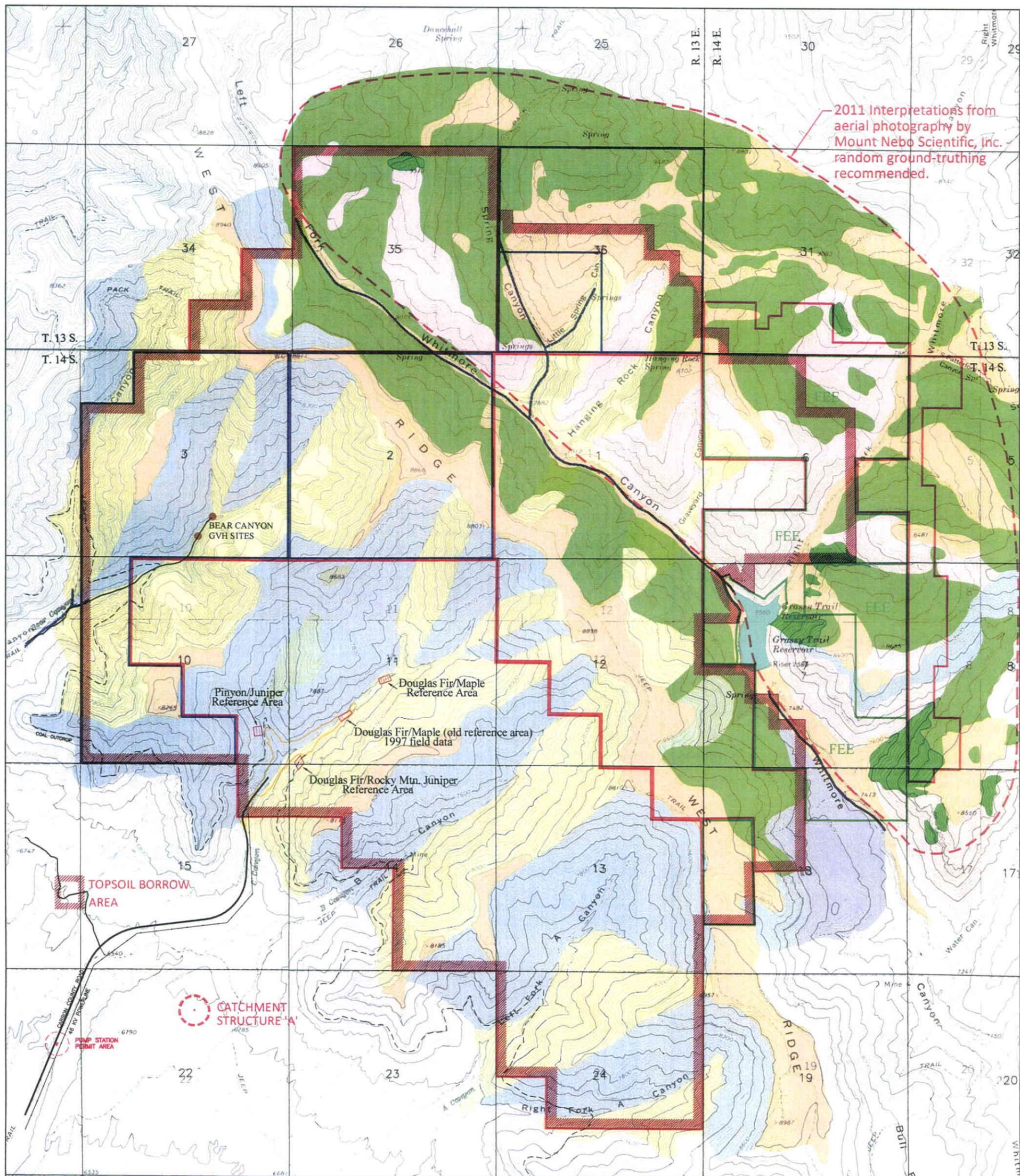
- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Penta Creek Fee
 - Surface Facility Area
 - GVH Site
 - Soil Mapping Boundary
 - Soil Map Number



WEST RIDGE
RESOURCES, INC.



SCALE: 1"=2500'



2011 Interpretations from aerial photography by Mount Nebo Scientific, Inc. - random ground-truthing recommended.

VEGETATION COMMUNITIES

Douglas Fir	
Pinyon/Juniper	
Sagebrush/Grass/Herbland	
Aspen	
Mountain Brush/Sagebrush	
Mixed Conifer	
Open Water	
Riparian	

Note: Vegetation communities based on interpretations from aerial photography (8/20/97) with some ground-checking in 2003 by Mount Nebo Scientific, Inc.
 Note: See Appendix 3-12 for description of Whitmore Canyon riparian areas.

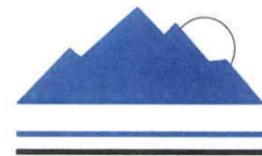
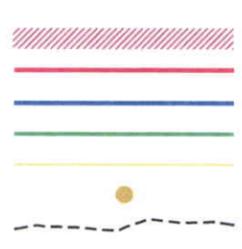
Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Pinyon/Juniper
 Catchment Structure E: Sagebrush
 See Appendix 5-15; Attachment 11

I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



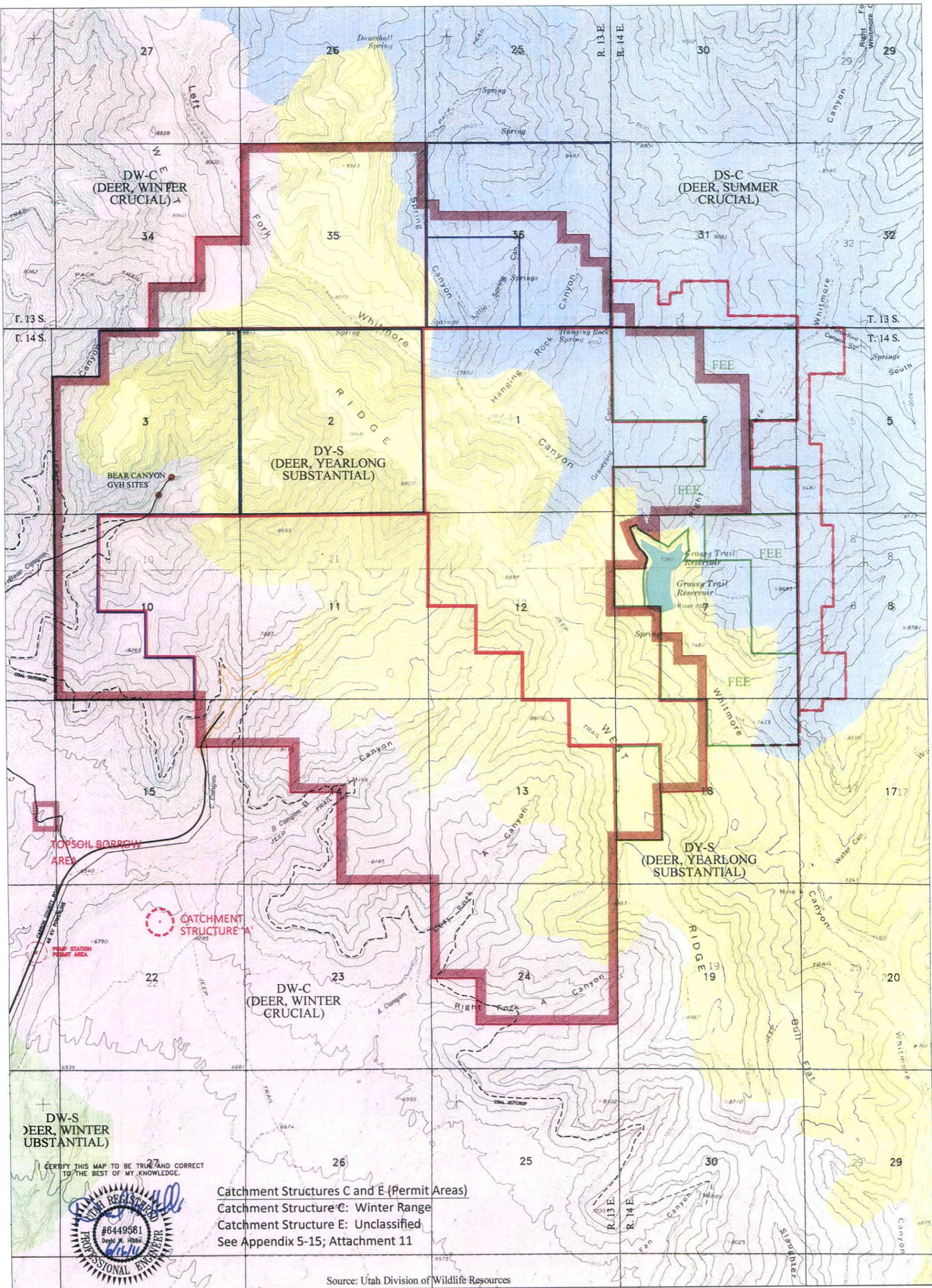
WEST RIDGE MINE
Map 3-1
General Vegetation
Communities

LEGEND:
 Permit Boundary
 Federal Lease
 State Lease
 Penta Creek Fee
 Surface Facility Area
 GVH Site
 Outcrop



WEST RIDGE
RESOURCES, INC.

SCALE: 1"=2500'



Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Winter Range
 Catchment Structure E: Unclassified
 See Appendix 5-15; Attachment 11

Source: Utah Division of Wildlife Resources



WEST RIDGE MINE
 Map 3-4B
 Wildlife Map - Deer Range

DATE: 6-16-11 REV: 22 ACAD REF: MAP3-4B DEER REV22

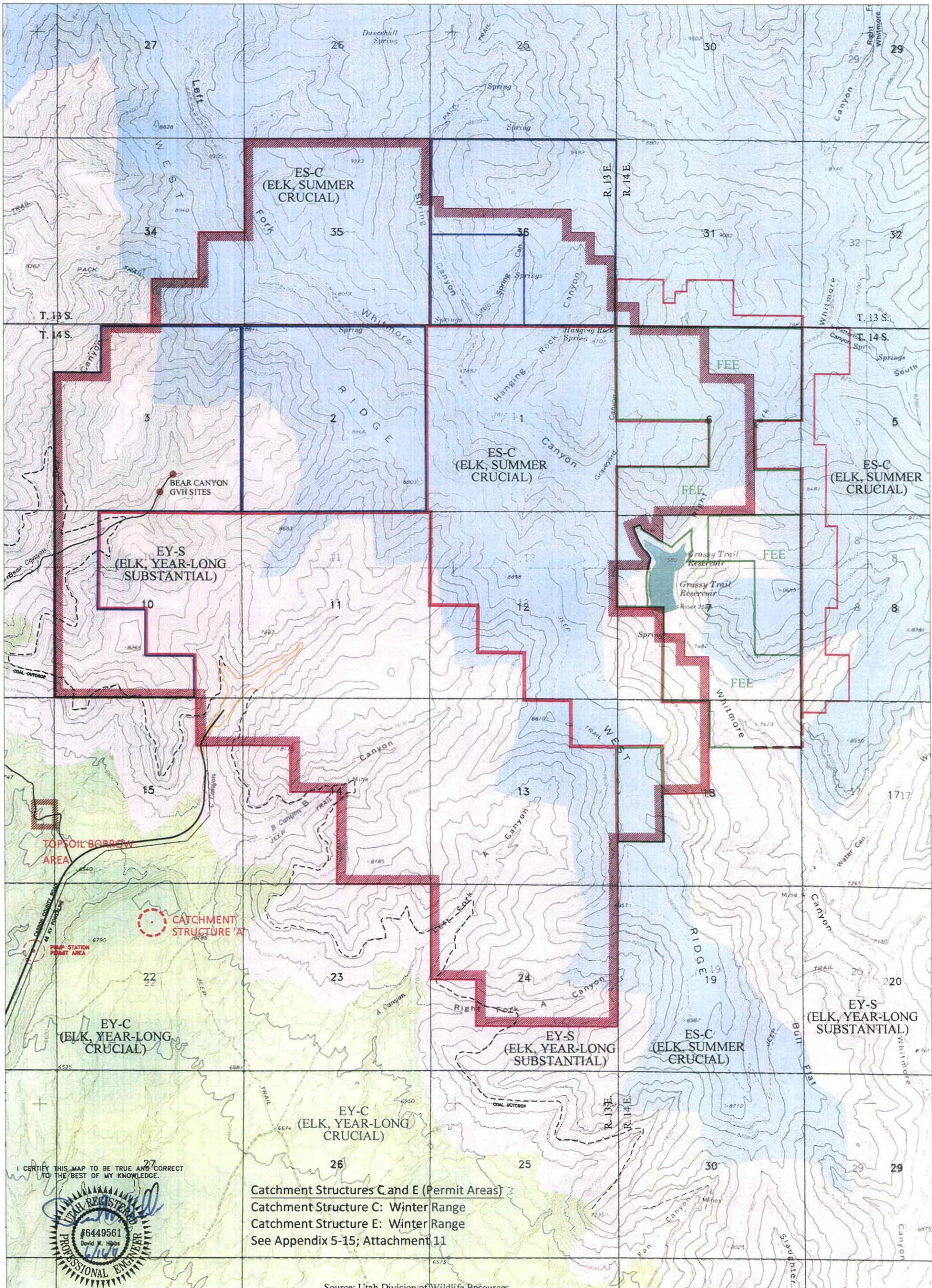
LEGEND:

- Permit Boundary
- Federal Lease
- State Lease
- Private Fee
- Surface Facility Area
- GVH Site
- DW-S
- DW-C
- DS-C
- DY-S



WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=2500'



Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Winter Range
 Catchment Structure E: Winter Range
 See Appendix 5-15; Attachment 11

Source: Utah Division of Wildlife Resources



WEST RIDGE MINE

Map 3-4C

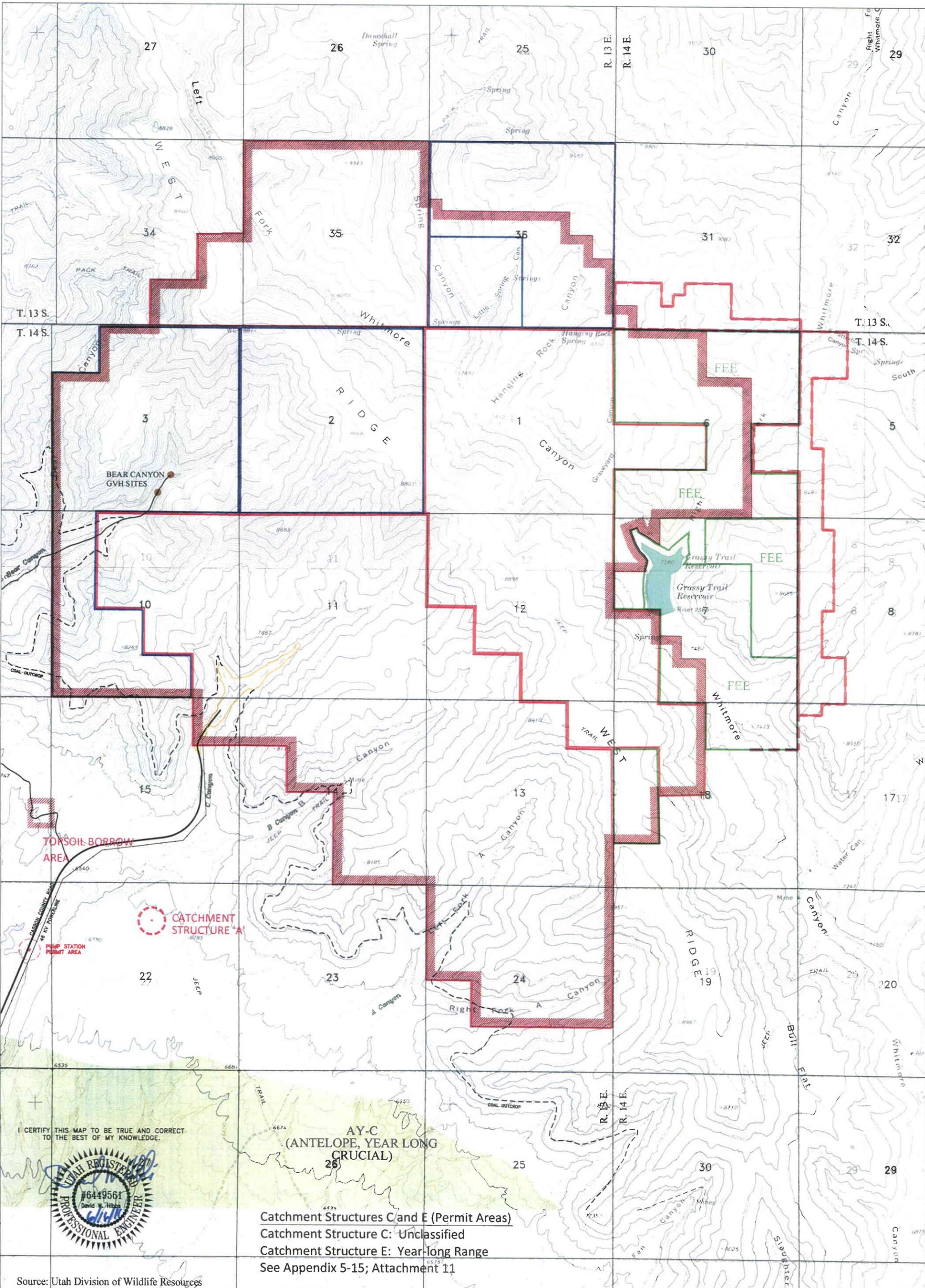
Wildlife Map - Elk Range

DATE: 6-16-11 REV: 22 ACAD REF: MAP 3-4C ELK REV22

Permit Boundary	
Federal Lease	
State Lease	
Private Fee	
Surface Facility Area	
GVH Site	
EY-C	
ES-C	
EY-S	



SCALE: 1"=2500'



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



AY-C (ANTELOPE, YEAR LONG CRUCIAL)

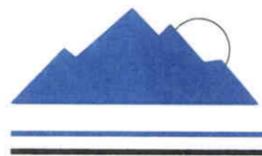
Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Unclassified
 Catchment Structure E: Year-long Range
 See Appendix 5-15; Attachment 11

Source: Utah Division of Wildlife Resources

WEST RIDGE MINE
 Map 3-4D
 Wildlife Map - Antelope Range

LEGEND:

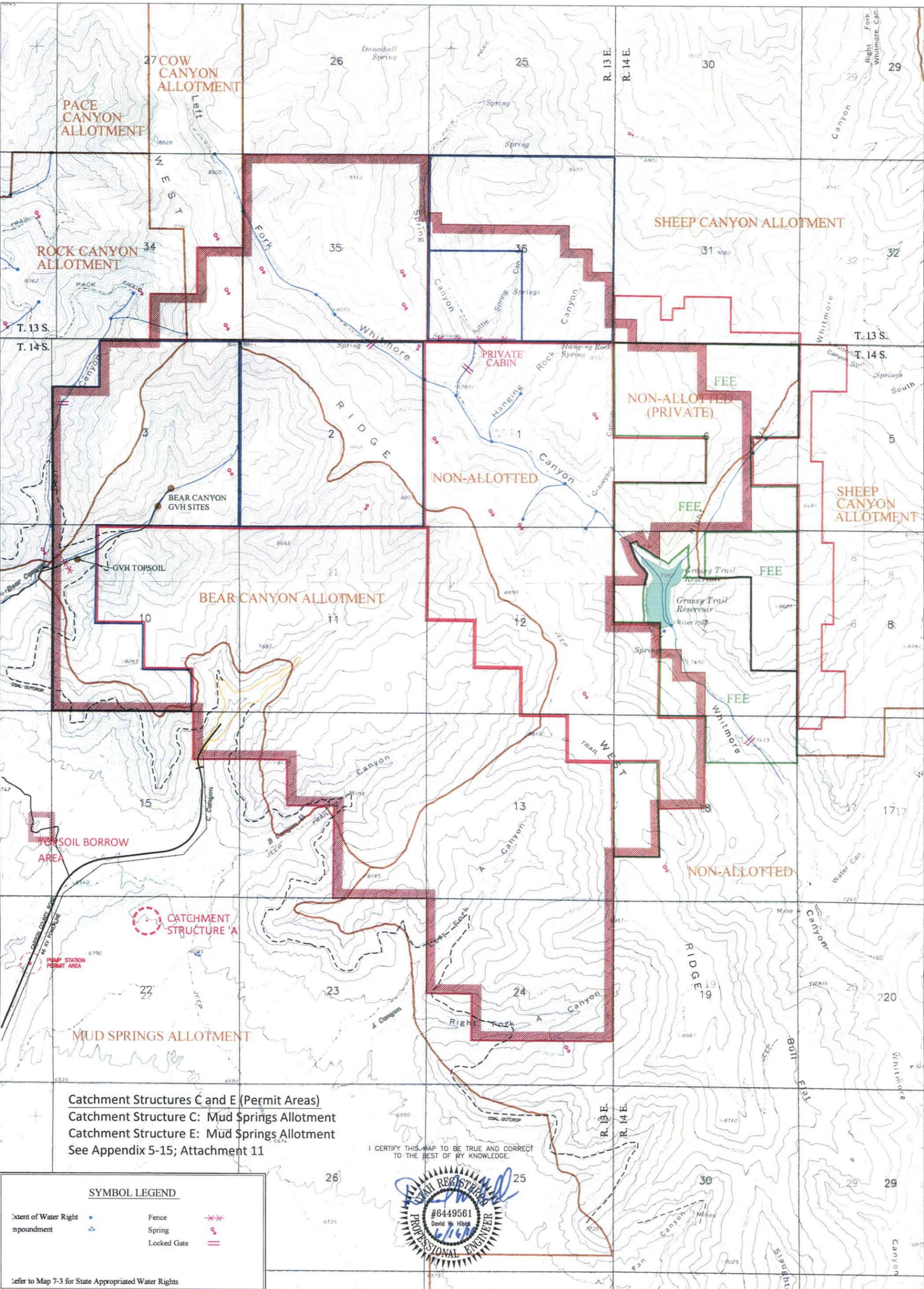
- Permit Boundary
- Federal Lease
- State Lease
- Private Fee
- Surface Facility Area
- GVH Site
- AY-H



WEST RIDGE
 RESOURCES, INC.



SCALE: 1"=2500'



Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Mud Springs Allotment
 Catchment Structure E: Mud Springs Allotment
 See Appendix 5-15; Attachment 11

I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



SYMBOL LEGEND

Extent of Water Right	Fence	Locked Gate
Impoundment	Spring	
Refer to Map 7-3 for State Appropriated Water Rights		

WEST RIDGE MINE

Map 4-1

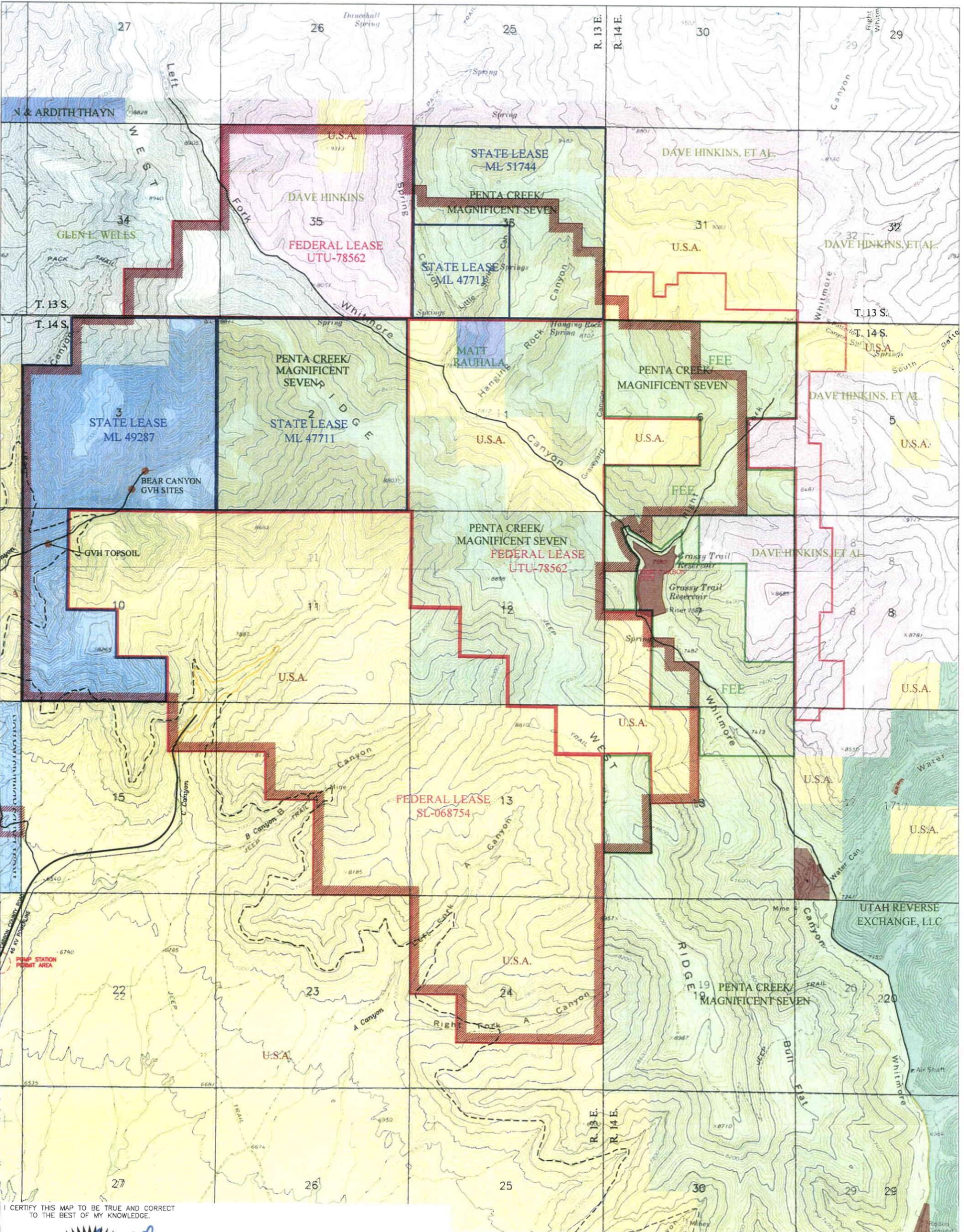
Existing Land Use

LEGEND:

Permit Boundary	
Federal Lease	
State Lease	
Penta Creek Fee	
Surface Facility Area	
GVH Site	
Grazing Allotment Boundary	

WEST RIDGE
RESOURCES, INC.

SCALE: 1"=2500'



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



Catchment Structures C and E (Permit Areas)
 Catchment Structure C: U.S.A. (BLM)
 Catchment Structure E: U.S.A. (BLM)
 See Appendix 5-15; Attachment 11

WEST RIDGE MINE

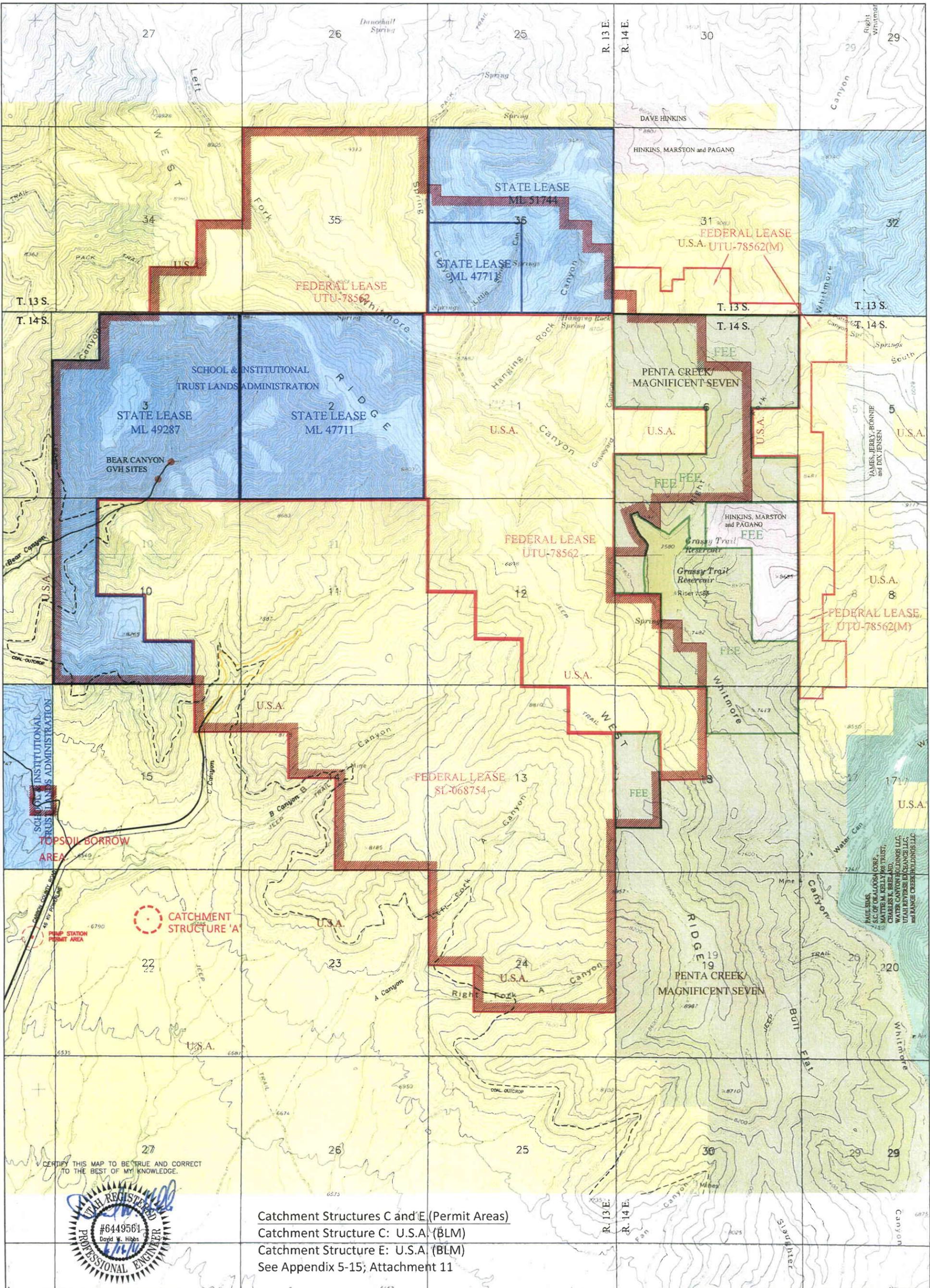
Map 5-2

Surface Ownership Map

LEGEND:	
Permit Boundary	
Federal Lease	
State Lease	
Penta Creek Fee	
Surface Facility Area	
GVH Site	
Outcrop	
School Trust Land (SITLA)	
Penta Creek/Magnificent Seven	
U.S.A. (BLM)	
Dave Hinkins, et al.	
Glen L. Wells	
Matt Rauhala	
Milton & Ardith Thayn	
East Carbon City	
Utah Reverse Exchange	



SCALE: 1"=2500'



CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



Catchment Structures C and E (Permit Areas)
 Catchment Structure C: U.S.A. (BLM)
 Catchment Structure E: U.S.A. (BLM)
 See Appendix 5-15; Attachment 11

WEST RIDGE MINE

Map 5-3

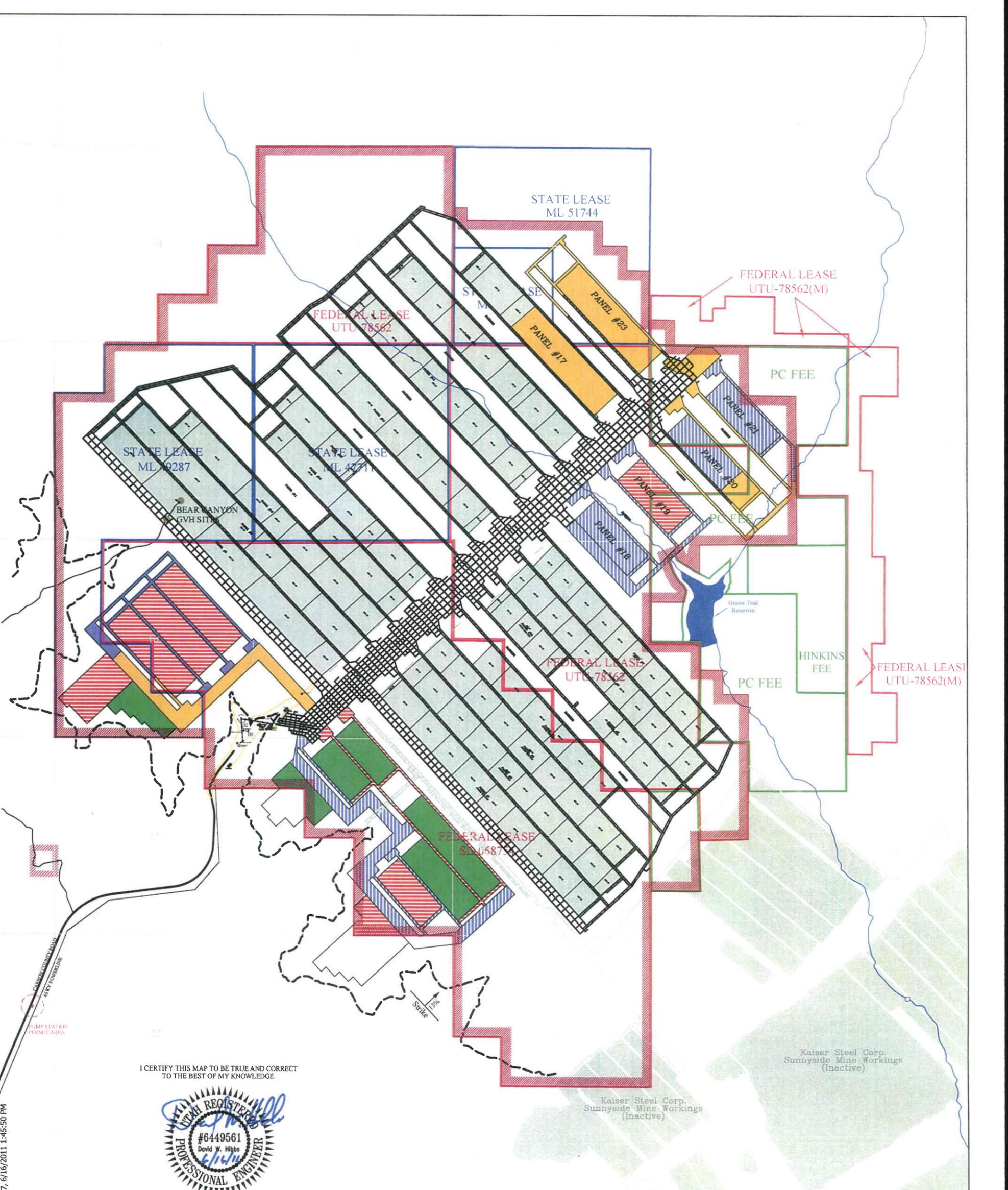
Sub-surface Ownership Map

LEGEND:

Permit Boundary		School Trust Lands (SITLA)	
Federal Lease		Penta Creek/Magnificent Seven	
State Lease		U.S.A. (BLM)	
Penta Creek Fee		Dave Hinkins, et al.	
GVH Facility Area		East Carbon City	
GVH Site		James T. Jensen, et al.	
Outcrop		Paul Sims, et al.	



SCALE: 1"=2500'

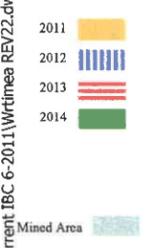


I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings. Actual mine works are shown as of June 15, 2011. Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions. No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements. West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary.

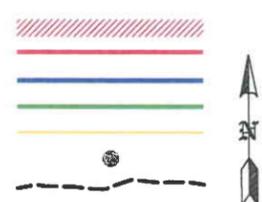
YEAR KEY:



WEST RIDGE MINE
Map 5-4A
Mining Projections

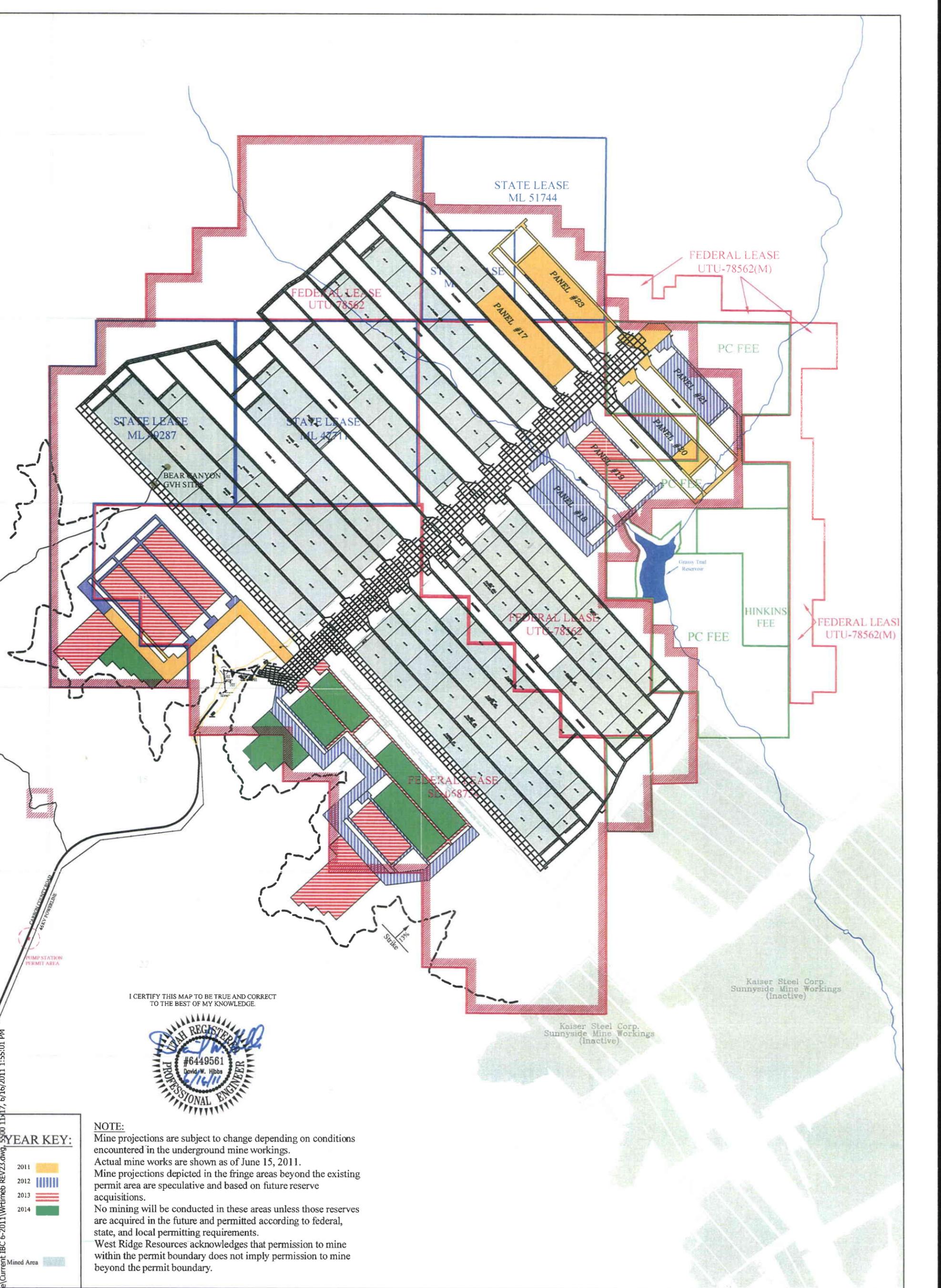
LEGEND:

- Permit Boundary
- Federal Lease
- State Lease
- Private Fee
- Surface Facility Area
- GVH Site
- Outcrop



WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=2500'



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE



I:\Current Drawings\WRP Maps\West Ridge Mine\Current IBC 6-2011\Wrtimib REV23.dwg, 5500 11/17, 6/16/2011 1:55:01 PM

YEAR KEY:

2011	
2012	
2013	
2014	
Mined Area	

NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings. Actual mine works are shown as of June 15, 2011. Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions. No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements. West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary.

WEST RIDGE MINE

Map 5-4B

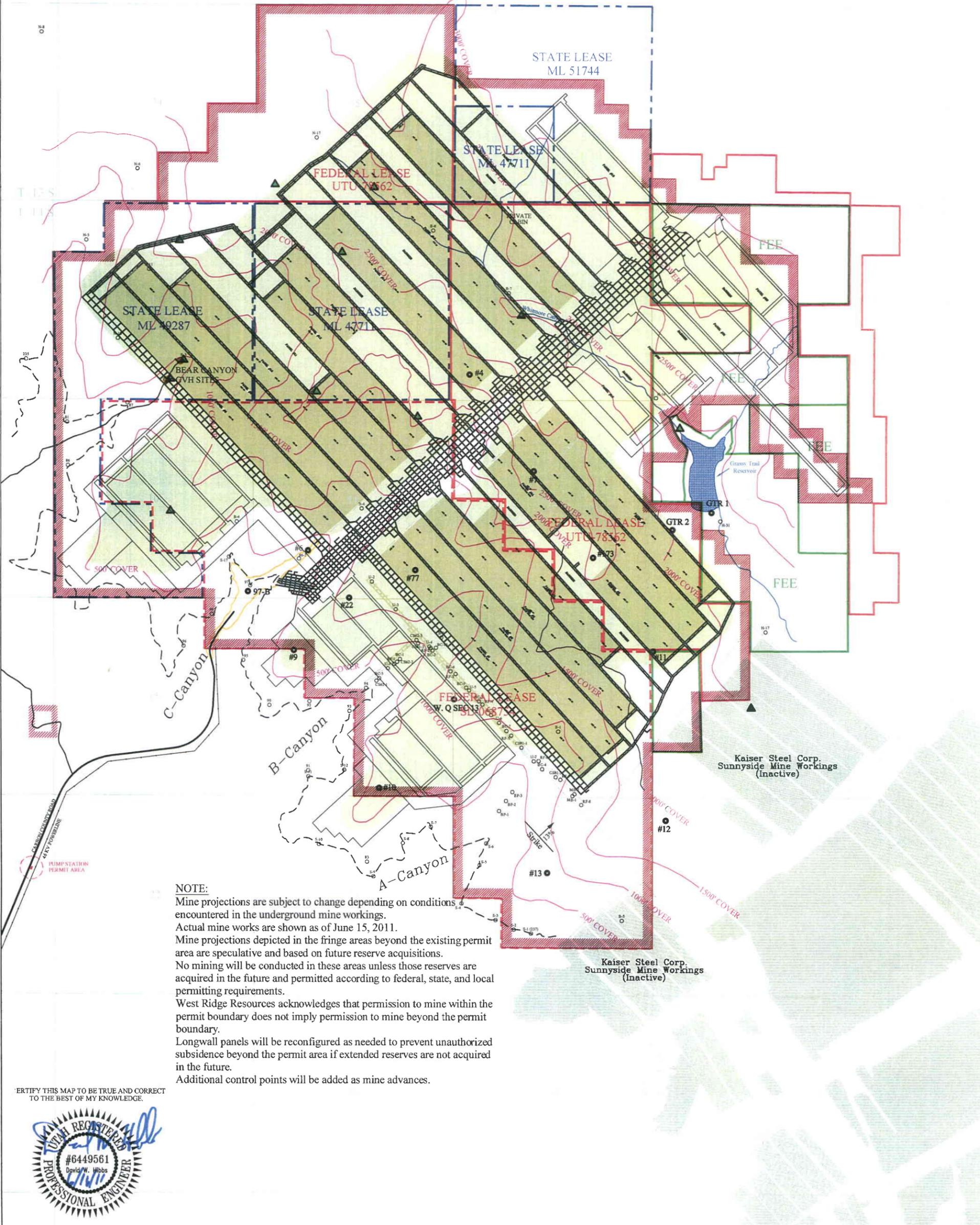
Mining Projections

LEGEND:

- Permit Boundary
- Federal Lease
- State Lease
- Private Fee
- Surface Facility Area
- GVH Site
- Outcrop

WEST RIDGE
RESOURCES, INC.

SCALE: 1"=2500'



NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings. Actual mine works are shown as of June 15, 2011. Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions. No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements. West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary. Longwall panels will be reconfigured as needed to prevent unauthorized subsidence beyond the permit area if extended reserves are not acquired in the future. Additional control points will be added as mine advances.

CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



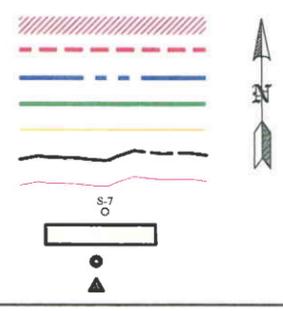
WEST RIDGE MINE

Map 5-7

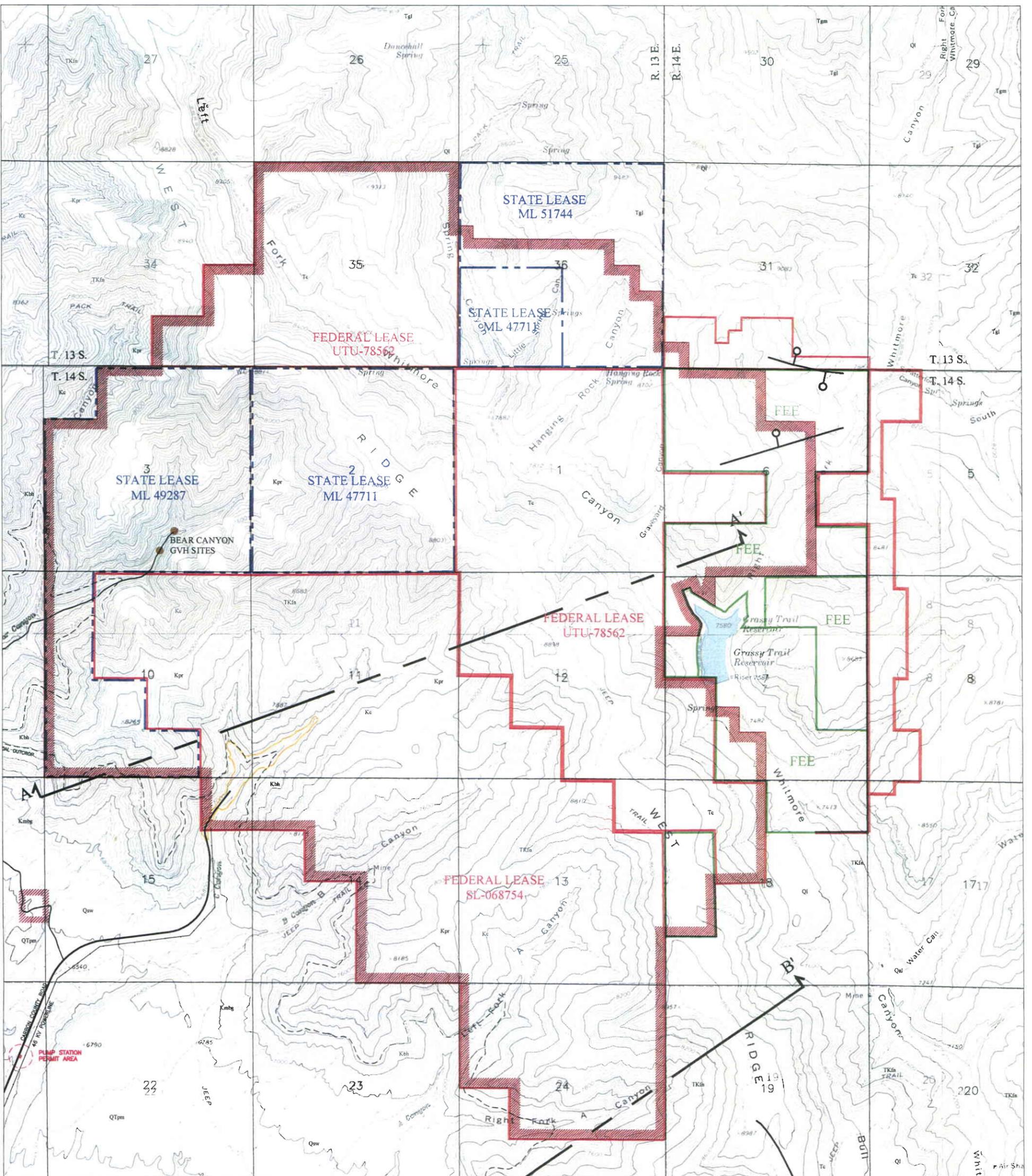
Subsidence Map

DATE: 5-18-11 REV: 23 ACAD REF: MAPS-7A SUBSIDE REV23

- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Private Fee
 - Surface Facility Area
 - Outcrop
 - Cover
 - Drill Hole
 - Possible Subsidence Area
 - Existing Photogrammetric Control Points
 - Future Photogrammetric Control Points



SCALE: 1"=2500'



FORMATION LEGEND:

Quaternary	Qd Alluvium Undifferentiated	Tertiary and Cretaceous	TKfn Flagstaff Limestone and North Horn Formation
	Ql Landslide Deposits		
	Qsw Slope-wash Deposits		
Pliocene to Miocene(?)	QTpm Pediment Mantle	Cretaceous	Kpr Price River Formation
			Kc Castlegate Sandstone
			Kbh Blackhawk Formation
			Kmbg Main Body of the Blue Gate Member
Tertiary	Tgm Middle Member		
	Tgl Lower Member		
	Tc Colton Formation		

I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Refer to Map 6-1A for cross-section.

WEST RIDGE MINE
Map 6-1
Regional Geology Map

DATE: 6-16-11 REV: 20 ACAD REF: MAP6-1 GEOLOGY REV20

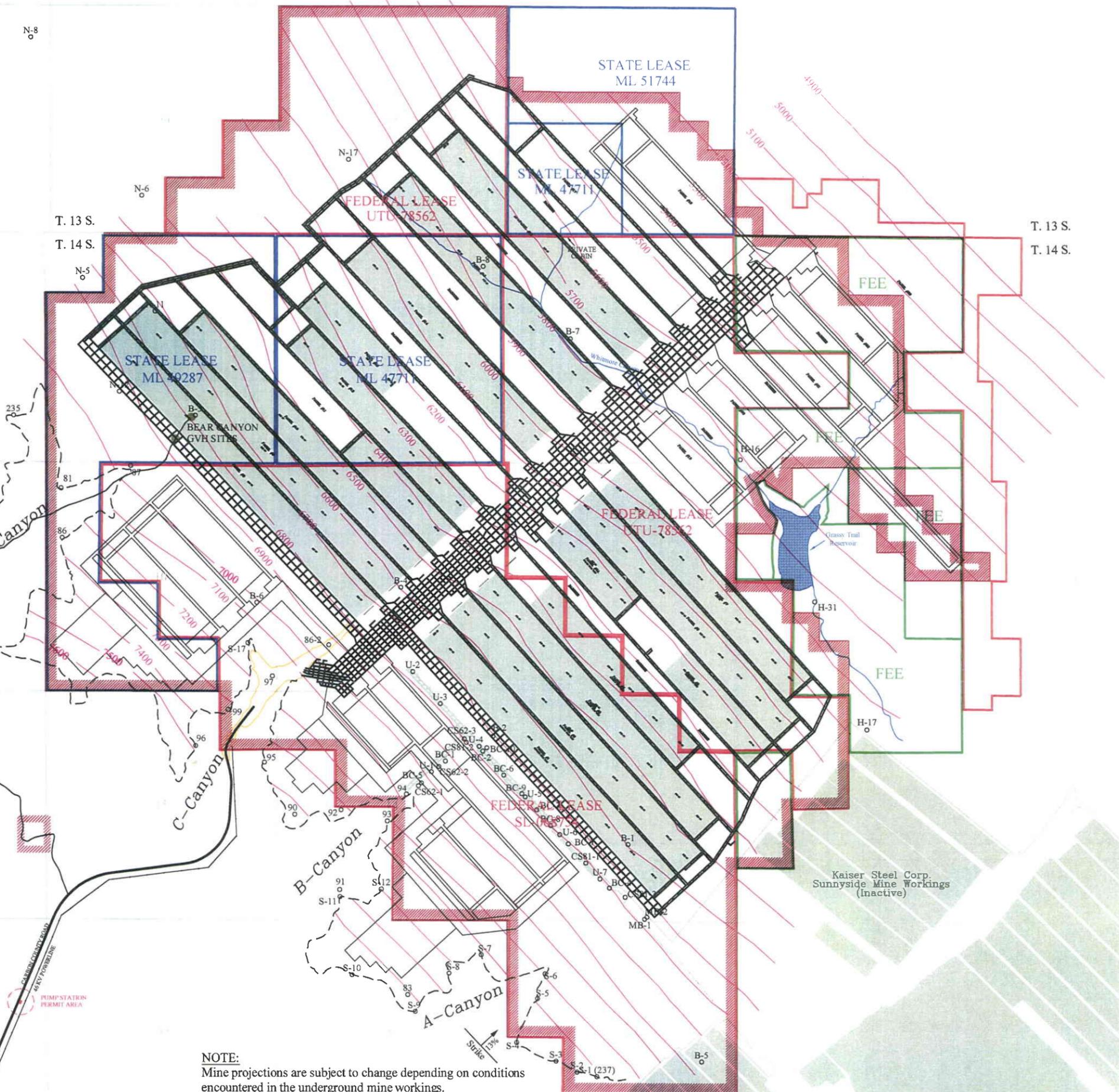
LEGEND:

- Permit Boundary
- Federal Lease
- State Lease
- Penta Creek Fee
- Surface Facility Area
- GVH Site
- Fault

WEST RIDGE RESOURCES, INC.

SCALE: 1"=2500'

R. 13 E.
R. 14 E.



NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings.
 Actual mine works are shown as of June 15, 2011.
 Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions.
 No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements.
 West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary.

CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



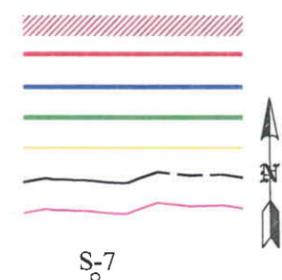
R. 13 E.
R. 14 E.

WEST RIDGE MINE

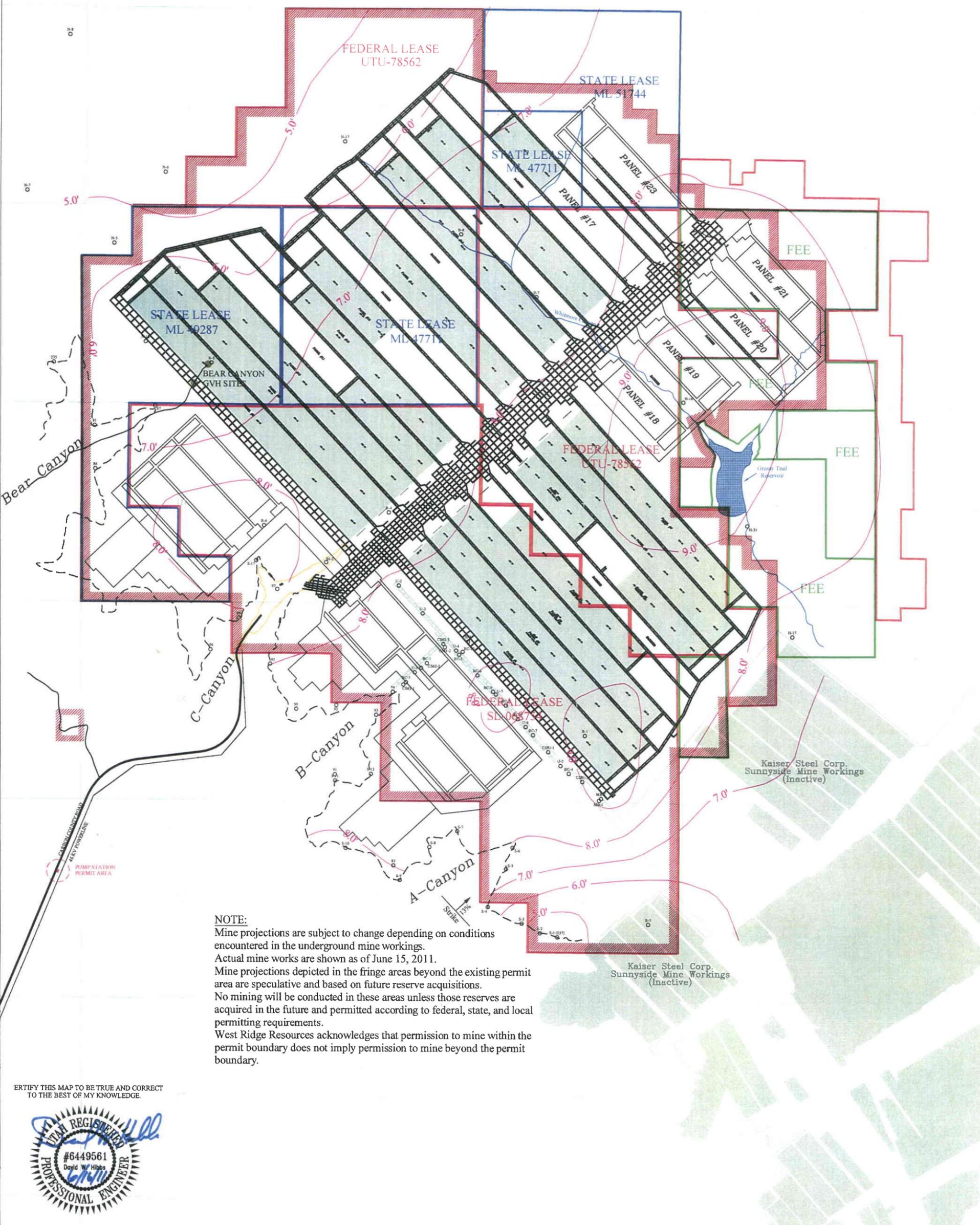
Map 6-2

Coal Seam Structure Map

- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Penta Creek Fee
 - Surface Facility Area
 - Outcrop
 - Structure Contour (Base of Lower Sunnyside Seam)
 - Drill Hole/Channel Samples



SCALE: 1"=2500'



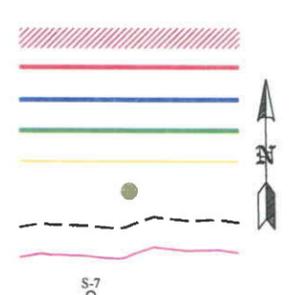
NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings. Actual mine works are shown as of June 15, 2011. Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions. No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements. West Ridge Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary.

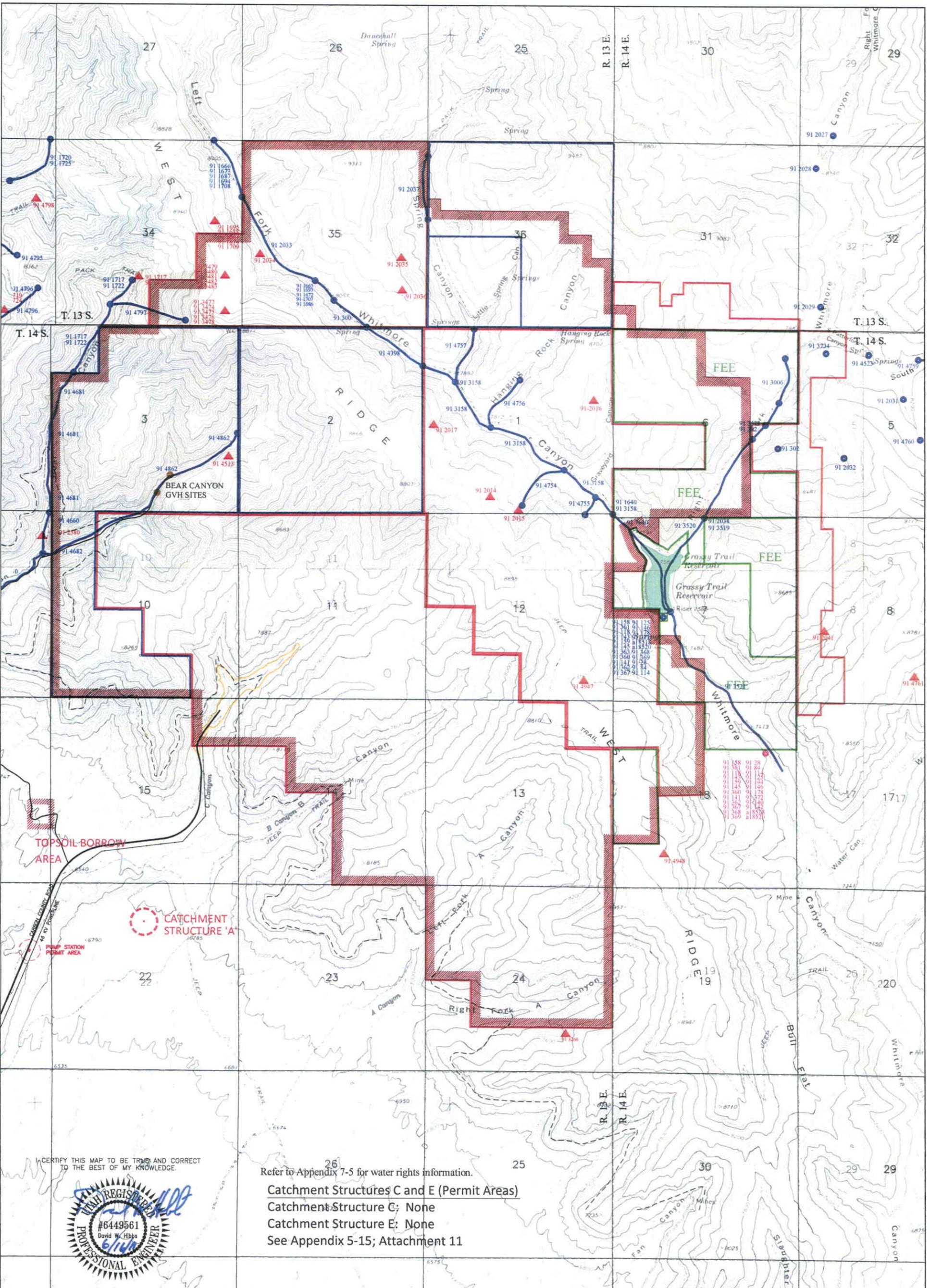
CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



WEST RIDGE MINE
Map 6-3
Lower Sunnyside Coal Seam
Isopach Map

- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Penta Creek Fee
 - Surface Facility Area
 - GVH Site
 - Outcrop
 - Coal Isopachs
 - Drill Hole/Channel Samples





I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Refer to Appendix 7-5 for water rights information.
Catchment Structures C and E (Permit Areas)
 Catchment Structure C: None
 Catchment Structure E: None
 See Appendix 5-15; Attachment 11

WEST RIDGE MINE

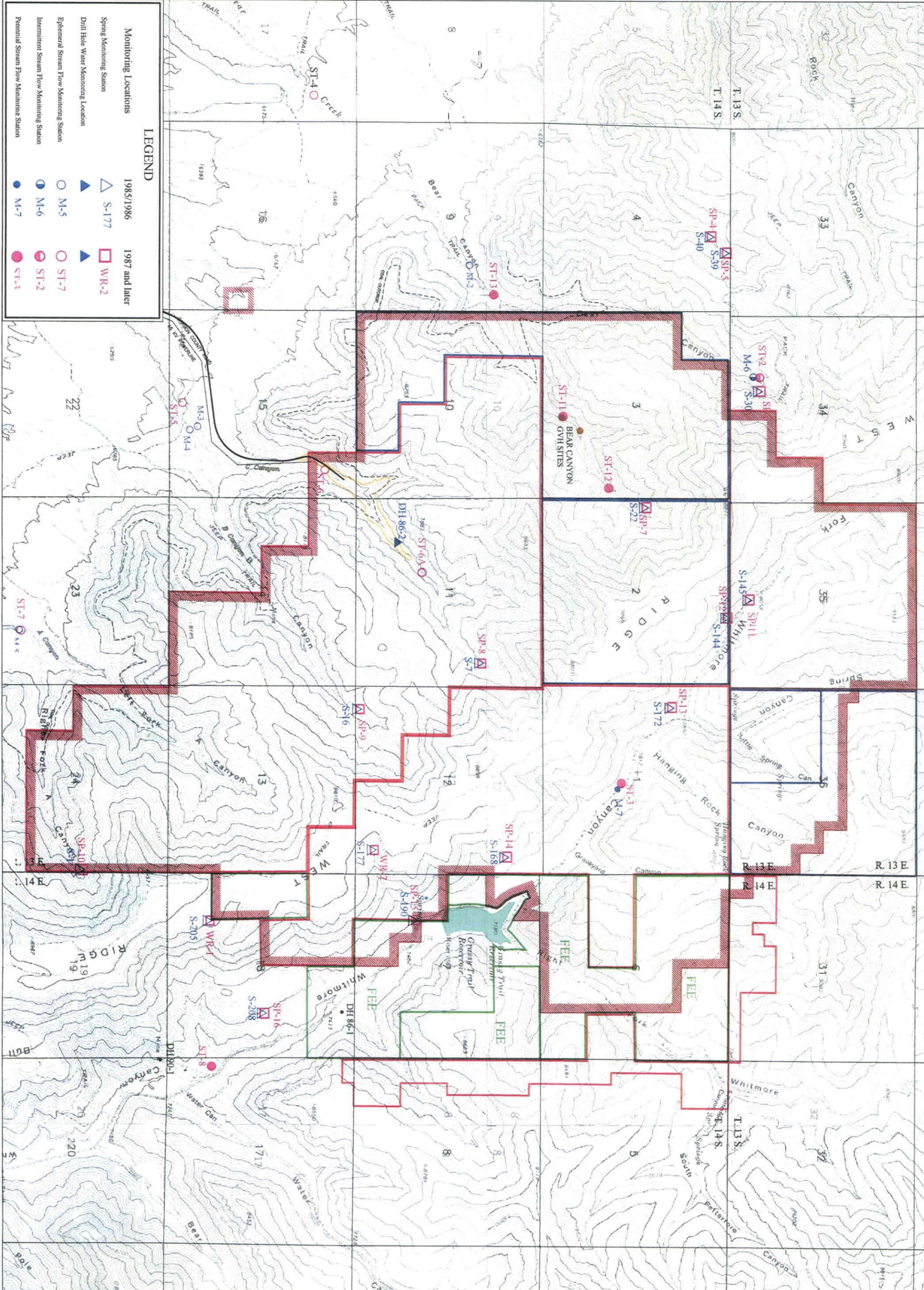
Map 7-3

Water Rights

LEGEND:

- Permit Boundary
- Federal Lease
- State Lease
- Penta Creek Fee
- Surface Water Right:
 - Point to Point
 - Spring
- Ground Water Right
- Municipal Water System Intake





LEGEND

1985/1986		1987 and later	
Spring Monitoring Station	▽ S-177	Perennial Stream Flow Monitoring Station	◻ WR-2
Drill Hole Water Monitoring Location	▲	Epithermal Stream Flow Monitoring Station	○ ST-7
Epithermal Stream Flow Monitoring Station	○ M-5	Intermittent Stream Flow Monitoring Station	○ ST-2
Intermittent Stream Flow Monitoring Station	○ M-6	Perennial Stream Flow Monitoring Station	● ST-3
Perennial Stream Flow Monitoring Station	● M-7		

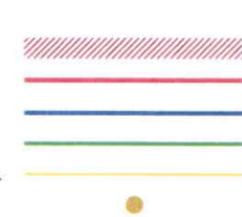
WEST RIDGE MINE

Map 7-6

Hydrologic Monitoring Map

(Historical Monitoring Locations)

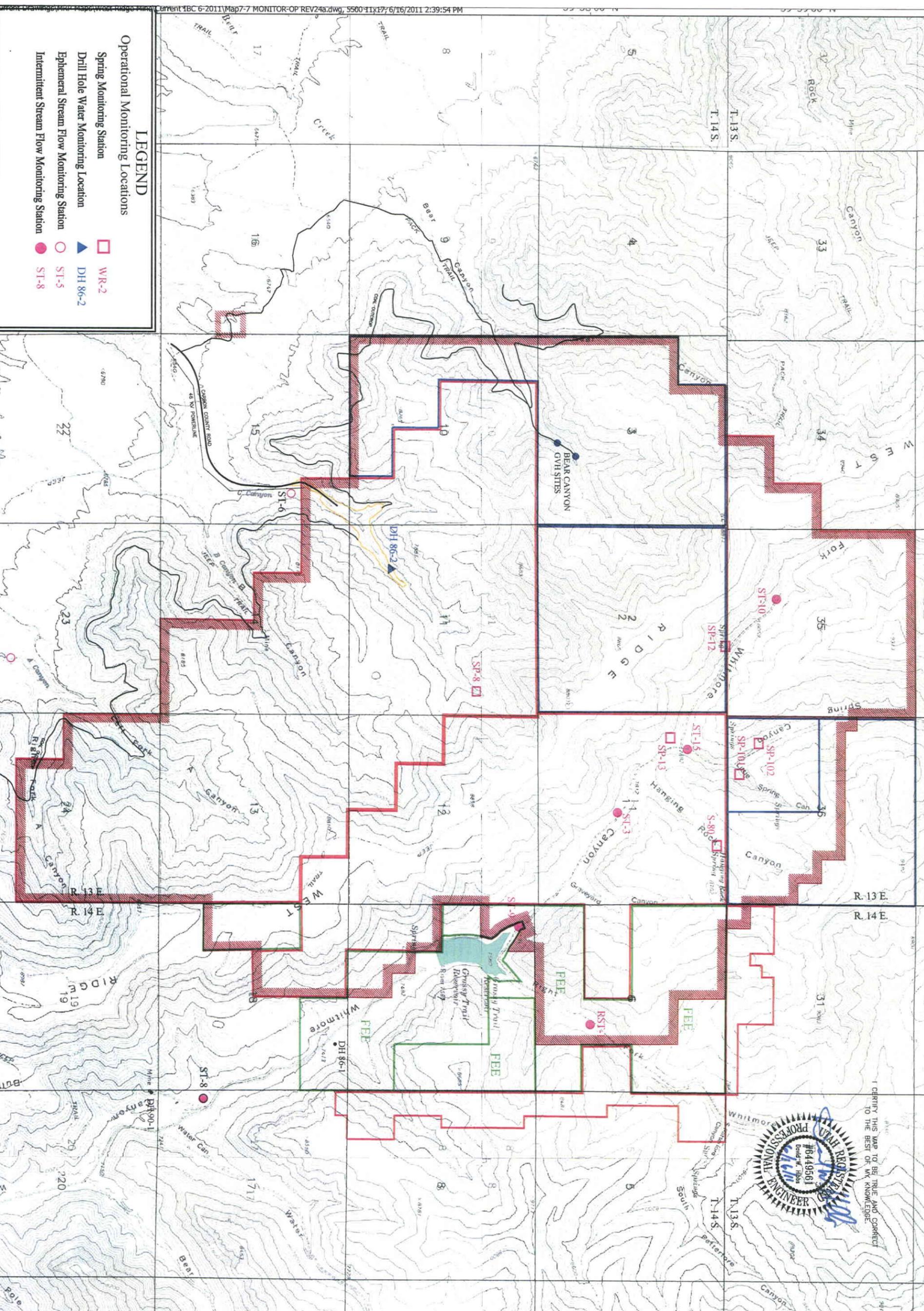
LEGEND:
 Permit Boundary
 Federal Lease
 State Lease
 Penta Creek Fee
 Surface Facility Area
 GVH Site



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



SCALE: 1"=2500'



LEGEND

Operational Monitoring Locations

- Spring Monitoring Station □ WR-2
- Drill Hole Water Monitoring Location ▲ DH 86-2
- Ephemeral Stream Flow Monitoring Station ○ ST-5
- Intermittent Stream Flow Monitoring Station ● ST-8

WEST RIDGE MINE
Map 7-7
Operational Monitoring Locations

DATE: 6-16-11 REV: 24a ACAD REF: MAP7-7 MONITOR-OP REV24a

LEGEND:

- Permit Boundary ▨
- Federal Lease —
- State Lease —
- Penta Creek Fee —
- Surface Facility Area —
- GVH Site ●

▲ ○ ●

□ ▲

○ ●

▨ — — — —

▲

□

○ ●

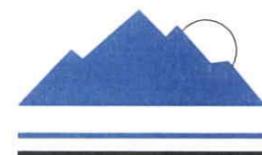
▨

— — — —

▲

□

○ ●



WEST RIDGE
RESOURCES, INC.

SCALE: 1" = 2500'



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.