

C/007/041 Incoming

#4256
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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

February 18, 2013

Attn: Daron Haddock
Permit Supervisor

Re: West Ridge Mine C/007/041 Task #4236
13-003 Adding New Lease Modification to the MRP

Dear Mr. Haddock:

Enclosed are three copies of an application to add the newly approved Lease Modification area to the approved MRP.

Completed C1 and C2 forms as well as redline strikeouts have been included.

If you have questions or comments please contact Jay Marshall at (435) 888 4007.

Sincerely,

R. Jay Marshall
R. Jay Marshall

File in:
 Confidential
 Shelf
 Expandable

Date Folder 022013 C/0070041
Incoming See Confidential

RECEIVED

FEB 20 2013

DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: C/007/041
Title of Proposal: 13-003 Add BLM Lease Modification to Permit ID #4236						Mine: WEST RIDGE MINE
						Permittee: WEST RIDGE Resources, Inc.

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

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

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? <u>480.2</u> acres Disturbed Area? <u>0</u> acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: Mid Term Review
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 3 complete copies of the application.

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

R. Jay Marshall 2/18/13
 Signed - Name - Position - Date

Subscribed and sworn to before me this 18th day of February, 2013.

Linda Kerns
 Notary Public
 My Commission Expires: March 27, 2013
 Attest: STATE OF Utah
 COUNTY OF Carbon



Received by Oil, Gas & Mining

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FEB 20 2013

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: 13-003 Add BLM Lease Modification to Permit

Permit Number: C/007/041

Addresses Deficiencies from 12-003 and 13-001

Mine: WEST RIDGE MINE

Permittee: WEST RIDGE RESOURCES

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	Text in Chapter 1: "ALL"
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Text in Chapter 5: TOC v, Text Pages 5-9, 5-10, and 5-11
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input checked="" type="checkbox"/> REMOVE	Plate 5-4B from the permit
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1 Maps 1-0 and 1-1
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 2 Map 2-1
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3 Maps 3-1, 3-4A, 3-4B, 3-4C, and 3-4D.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 4 Maps 4-1, and 4-2.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 5 Maps 5-2, 5-3, 5-4A, and 5-7.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 6 Maps 6-1, 6-2, and 6-3.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7 Maps 7-3, 7-5, 7-6, 7-7, and 7-8.
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Lease SL-068754 to Appendix 1-4
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Lease UTU-78562 to Appendix 1-4
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
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<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?

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WordPerfect Document Compare Summary

Original document: S:\WEST RIDGE\Submittals\2013\13-003 Response to 12-003 and 13-001 add Lease Mod\Chapter 1 approved-panel 22 approved-B canyon portal re-opening pending.wpd

Revised document: @PFDesktop\MyComputer\S:\WEST RIDGE\Submittals\2013\13-003 Response to 12-003 and 13-001 add Lease Mod\13-001 Chapter 1.wpd

Deletions are shown with the following attributes and color:

Strikeout, Blue RGB(0,0,255).

Deleted text is shown as full text.

Insertions are shown with the following attributes and color:

Double Underline, Redline, Red RGB(255,0,0).

The document was marked with 73 Deletions, 56 Insertions, 0 Moves.

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~~ Jay Marshall
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.

114.100 WEST RIDGE Resources, Inc., currently holds ~~5256~~5,736.1636 acres of federal coal (~~23,650~~130.6787 acres leased under SL-068754 and ~~2605~~2,605.49 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 78,600,080.3858 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 (23,650,130.6787 acres)
- 2) most of federal coal lease UTU 78562 (2,403.07605.49 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 (650.49 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
9) B Canyon Portal re-opening	<u>0.25 acres</u>
TOTAL	31.24 acres

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

**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)	23,650 <u>130,678</u> 7	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, <u>SWNW, N2NWSW, E2SW</u> Section 15: NENE, <u>W2NE, E2SENE</u> <u>Section 23:</u> <u>Lot 1, N2NE, SWNE, NENW</u> Section 24: N2, N2SE, NESW, <u>NWSW</u>
2) <u>FEDERAL COAL LEASE UTU-78562</u>	2,249.25 <u>605.49</u>	T 13 S, R13 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
		Section 8:	W2NWNW, W2SENWNW, SWNENWNW, W2SWNW, W2E2SWNW, W2NWSW, SWSW
		Section 17:	N2NWNWNE
		Section 18:	Lot 1, E2NW
<u>3) PUMPING STATION</u> (BLM R.O.W. UTU-7712)	0.23	T 14 S, R 13 E	
		Section 21:	NENE (0.23 acres thereof)
<u>4) CATCHMENT STRUCTURE A</u> (BLM R.O.W. UTU-87110)	0.23	T 14 S, R 13 E	
		Section 15:	SESW (0.23 acres therein)
<u>5) CATCHMENT STRUCTURE C</u> (BLM R.O.W . UTU-87110)	0.23	T 14 S, R 13 E	
		Section 28:	NWNW (0.23 acres therein)
<u>6) CATCHMENT STRUCTURE E</u> (BLM R.O.W . UTU-87110)	0.23	T 14 S, R 12 E	
		Section 25:	SESE (0.23 acres therein)

TOTAL FEDERAL

52575,736.0836 acres

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

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
1) <u>FEDERAL LEASE SL-068754</u> <u>(SL-068754-U-01215)</u>	23,650 <u>130.6787</u>	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, <u>SWNW</u> , <u>N2NWSW, E2SW</u> Section 15: NENE, <u>W2NE, E2SENE</u> <u>Section 23:</u> <u>Lot 1, N2NE, SWNE, NENW</u> Section 24: N2, N2SE, NESW, <u>NWSW</u>
2) <u>FEDERAL LEASE UTU-78562</u>	2403.07	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: W2W2SWNW, W2NWNWSW Section 6: Lot 6, NESW, N2NESE, SWNESE

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)	0.23	T 14 S, R 13 E	Section 15: SESW (0.23 acres thereof, containing catchment structure)
<u>11) CATCHMENT STRUCTURE C</u> (BLM R.O.W . UTU-87110)	0.23	T 14 S, R 13 E	Section 28: NWNW (0.23 acres thereof, containing catchment structure)
<u>12) CATCHMENT STRUCTURE E</u> (BLM R.O.W . UTU-87110)	0.23	T 14 S, R 12 E	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>	7600 <u>8080.3858</u> 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 1-5
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, NWNESE,
T13S, R14E	Section 31:	Lot 4, S2SESW, NESESW, SENWSESW, W2SWSE, S2SESWSE, S2S2SESE
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, <u>SWNW, N2NWSW, E2SW</u>
	Section 15	NENE, NWSENE (part thereof, containing security gate SESW (part thereof, containing catchment structure A), <u>W2NE, E2SENE</u>
	Section 16	E2NESE (part thereof, containing substitute topsoil area)
	Section 21	NESENE (part thereof, containing pumping station)
	<u>Section 23</u>	<u>Lot 1, N2NE, SWNE, NENW</u>
	Section 24	N2, N2SE, NESW, <u>NWSW</u>
	Section 28	NWNW (part thereof, containing catchment structure C)
	T14S, R14E	Section 5:
Section 6		Lots 1, 2, 3, 4, 5, 6 and 7, SENW, E2SW, W2SE, S2NE, N2NESE, SWNESE, NWSESE
Section 7*		Lots 1*, 3 and 4, SESW, SWNESW
Section 18		Lots 1, 2 and 3, E2NW

TOTAL PERMIT AREA = 78,600080.3858 acres.

**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	108.82	-	-	-	-	-	108.82
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 <u>580.00</u>	-	-	-	-	-	440 <u>580.00</u>
14/13	15	41 <u>141.0</u> 220	-	-	-	-	-	41 <u>141.0</u> 220
14/13	16	-	-	-	-	-	9.60	9.60
14/13	21	0.23	-	-	-	-	-	0.23
14/13	<u>23</u>	<u>200.02</u>	=	=	=	=	=	<u>200.02</u>
<u>14/13</u>	24	44 <u>80.00</u>	-	-	-	-	-	44 <u>80.00</u>
14/12	28	0.23	-	-	-	-	-	0.23
14/14	5	-	-	15.00	-	-	-	15.00
14/14	6	76.41	478.88	30.00	-	-	-	585.29
14/14	7	74.08	86.69		-	-	-	160.77
14/14	8	-	-		-	-	-	0.00

**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

Signed - Name - Position - Date
~~David Shaver~~ Jay Marshall, Resident Agent

Subscribed and sworn to before me this__ day of_____, 20__

Notary Public

My commission Expires: _____, 20__)

Attest: STATE OF _____) ss:

COUNTY OF _____)

WordPerfect Document Compare Summary

Original document: S:\WEST RIDGE\Submittals\2013\13-003 Response to 12-003 and 13-001 add Lease Mod\Chapter 5 approved GVH 4 and 5-panel 22 approved-jan 12-2011-B Canyon portal re-opening pending.wpd

Revised document: @PFDesktop\MyComputer\S:\WEST RIDGE\Submittals\2013\13-003 Response to 12-003 and 13-001 add Lease Mod\13-001 Chapter 5.wpd

Deletions are shown with the following attributes and color:

~~Strikeout~~, Blue RGB(0,0,255).

Deleted text is shown as full text.

Insertions are shown with the following attributes and color:

Double Underline, Redline, Red RGB(255,0,0).

The document was marked with 3 Deletions, 5 Insertions, 0 Moves.

TABLE OF CONTENTS- MAP LIST R645-301-500 CHAPTER 5

MAP NUMBER	DESCRIPTION	SCALE
MAP 5-1*	Previous Disturbance	1"=100'
MAP 5-2*	Surface Ownership	1"=1000'
MAP 5-3*	Sub-surface Ownership	1"=1000'
MAP 5-4A*	Mining Projections	1"=1000'
MAP 5-4B*	Mining Projections - Extended Reserves <u>Removed</u>	1"=1000'
MAP 5-5*	Surface Facility Map	1"=1000'
MAP 5-6*	Mine Site Cross-Section & Profile Index Map	1"=1000'
MAP 5-6A*	Mine-Site Cross-Sections	1"=50'
MAP 5-6B*	Mine Site Cross-Sections	1"=50'
MAP 5-6C*	Mine Site Cross-Sections	1"=1000'
MAP 5-7*	Subsidence Map	1"=1000'
MAP 5-8*	Undisturbed Drainage Culvert Profile	1"=100'
MAP 5-9*	Mine Site Reclamation	1"=100'
MAP 5-10*	Construction/Reclamation Area-Types	1"=100'
MAP 5-11*	Construction Sequence	No scale
MAP 5-12*	Reclamation Sequence	No Scale
MAP 5-13*	Pre-construction Drainage Photos Index Map	1" = 100'
MAP 5-13(A-H)*	Pre-construction Drainage Photos	No Scale
MAP 5-14*	Pump House Site Map	1" = 10'
MAP 5-14A*	Pump House Reclamation Map	1" = 10'
MAP 5-14B*	Pump House Cross-Sections	1" = 10'
MAP 5-15*	Roads Map	1" = 100'

*Not included on disk

R645-301-520 OPERATION PLAN

R645-301-521 GENERAL

WEST RIDGE Resources, Inc. holds federal, state and fee coal leases SL-068754 and UTU-75862, state leases ML 47711, ML 49287 and ML 51744, and the Penta Creek fee lease, ~~totaling 7796.7 acres~~ in the West Ridge area of eastern Carbon County. Much of the Penta Creek Fee Lease, is not included within the permit area at this time and cannot be mined until the permit is amended. Refer to Map 5-4B, Mining Projections - Extended Reserves. A breakdown of the acreage of the lease areas are presented in Chapter 1 of this permit.

The mine, consists of one longwall and two continuous miner sections. The mining sequence is shown on Map 5-4A, Mining Projections. Initial mine production will come from reserves located in the southeastern portion of the existing lease area. Panels will be developed to the north and south of the mains, progressing in an eastward direction. With the existing leases, the projected life of the West Ridge Mine is 15 years. After the economically recoverable reserves within the permit area have been depleted, the portals would be sealed and reclamation of the surface facility area would begin unless additional leases were acquired.

Surface facilities will be located in C Canyon, where the left and right forks converge, in a previously disturbed area. The extent of the previous disturbance includes access roads, outcrop excavations and exploration drill holes. Previous disturbance at this site is estimated to be approximately 1.62 acres. The total proposed surface disturbed area, as delineated by the tan line on the maps, amounts to approximately 29 acres. Actual anticipated disturbance for surface facilities and topsoil stockpiles (within the disturbance area) is estimated at 26.02 acres. This includes approximately 0.79 acres of Carbon County road which has been included in the disturbed area down to the C Canyon gate, and 0.23 acres for the pumphouse area located below the minesite.

An alternate (substitute) topsoil borrow area would be located about 1 ½ miles to the west of the proposed mine site on a ten acre parcel of State School Trust land. This area would not be included unless needed for final reclamation. No surface disturbance would take place at this location until the time of final reclamation. No additional acreage should be required for the project as proposed in this permit application.

521.100 Cross Sections And Maps

The lease area is located northwest of the old Sunnyside No. 1 underground mine workings. The lease was, at one time, held by U.S. Steel Corp., who authorized Kaiser Coal Company to extend a set of test entries from the Sunnyside No. 1 mine part way through the lease. These test entries were driven to the surface in B Canyon. The portal for this test entry breakout exists presently although it has been sealed. B Canyon is located approximately one mile southeast of C Canyon where the surface facilities for the West Ridge Mine are being proposed. The extent of the underground test entry development within the lease is shown on Map 5-7, Subsidence Map. The old Sunnyside Mine test entries driven north into the proposed permit area were mined in 1959 and 1960, are now inactive and sealed to prevent public access.

The proposed surface facilities are to be situated in C Canyon. north of the old underground mine workings in the Sunnyside No. 1 Mine. The location of the old workings with respect to the proposed development is shown on Map 5-4A. Map 5-1, Previous Disturbance, shows the areal extent of the previous surface disturbance in C Canyon.

521.120 Existing Surface And Subsurface Facilities And Features

No surface or subsurface features, such as commercial buildings, transmission lines, pipelines, or agricultural related features, exist in or near the proposed permit area. Refer to Map 4-1. A pre-mining (pre-subsidence) survey was conducted prior to mining operations, which included the area of lease UTU-78652. Refer to Appendix 5-8. A recreational cabin (seasonal occupation) and trailer are located in Spring Canyon in the northern part of the permit area. In this area, the depth of cover exceeds 2500'. Within 18 months prior to longwall mining in this area a pre-subsidence survey of the cabin/trailer will be conducted. The location of this cabin is shown on Map 4-1, 5-2 and 5-7. [A breakdown of the acreage of the lease areas are presented in Chapter 1 of this permit.](#)

Man-made features in or near the proposed permit area consist primarily of roads. Refer to Map 4-1. Several small roads exist within the permit area. These roads are Carbon County RS2477 roads. They are used primarily to access the top of West Ridge by ranchers in the area.

Approximately 960' of the existing Carbon County road into "C" Canyon has been added to the West Ridge Mine permit and included as disturbed area. The addition of this portion of road was necessitated by the placement of a gate (owned by Carbon County) to allow for better visibility and turnaround area for the public during those times when the gate is closed by the operator.

Roads that lie in or within 100 feet of the proposed permit area are depicted on Map 4-1.

No spoil, waste, noncoal waste, dams, embankments, sediment pond, water treatment

or air pollution control facilities exist within the proposed permit area. A small portion of the Grassy Trail Reservoir (less than 0.6 acres) lies within a corner of the permit area.

521.130 Landownership And Right Of Entry Maps

Ownership boundaries and the names of the present owners of record for surface lands as well as underground are depicted on Maps 5-2, Surface Ownership and 5-3, Subsurface Ownership.

Map 5-4B delineates the federal coal lease SL-068754 and UTU-78562, state lease ML 47711, ML49287 and ML 51744 and the Penta Creek fee lease, totaling 7796.7 acres held by WEST RIDGE Resources, Inc., which is the area for which WEST RIDGE Resources, Inc. Resources has the legal right to enter and begin coal mining and reclamation operations. Much of the Penta Creek Fee Lease is not included within the permit area at this time. A breakdown of the acreages of the lease areas are presented in Chapter 1 of this permit.

Included in Appendix 5-2 is a letter from Carbon County granting WEST RIDGE Resources, Inc. permission to conduct mining operations within 100 feet of the Carbon County road. This would basically be that segment of road where the road enters the mine facility area.

Also included in Appendix 5-2 is an approval letter from Carbon County, allowing for the periodic closure of approximately 960' of the "C" Canyon Road from the gate to the original mine permit area. The permit area has been extended to the gate, as shown on Plate 4-1.

A public notice has been published providing for request for a public hearing as provided in R645-103-234. A copy of this notice is also included in Appendix 5-2.

521.140 Mine Maps And Permit Area Maps

The permit area proposed to be affected by the coal mining and reclamation operation is shown on Map 5-3. Permit renewals will be reapplied for on five year intervals.

521.141 The mining operation has been divided into five year mining blocks in an attempt to show future areas that will be mined under the permit renewals. The mining blocks are shown on Map 5-4B. All projections and timing are preliminary and general in nature and may change in the future depending on mining, marketing, environmental conditions and/or acquisition of additional state and federal reserves.

Surface support facilities in C Canyon will be utilized for the life of mine operations. The proposed mine surface facility area is depicted on Map 5-5, Surface Facility Map. Reclamation of the facilities will be performed following completion of mining activities and sealing of the portals.

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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%
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APPENDIX 1-6	Consultation and Coordination
APPENDIX 1-7	Ownership and Control
APPENDIX 1-8	Letter from Carbon County
APPENDIX 1-9	*****Deleted*****
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APPENDIX 1-11	Material Deposit Special Use Lease Agreement
APPENDIX 1-12	Waterline/Pump House Right of Way
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APPENDIX 1-15	Legal Description of Grassy Trail Reservoir

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

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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:

Jay Marshall
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 5,736.36 acres of federal coal (3,130.87 acres leased under SL-068754 and 2,605.49 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 8,080.58 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 (3,130.87 acres)
- 2) most of federal coal lease UTU 78562 (2,605.49 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 (650.49 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
9)	B Canyon Portal re-opening	<u>0.25 acres</u>
	TOTAL	31.24 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>
<u>1) FEDERAL COAL LEASE SL-068754</u> (SL-068754-U-01215)	3,130.87	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, SWNW, N2NWSW, E2SW
		Section 15: NENE, W2NE, E2SENE
		Section 23: Lot 1, N2NE, SWNE, NENW
		Section 24: N2, N2SE, NESW, NWSW
		<u>2) FEDERAL COAL LEASE UTU-78562</u>
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		

		Section 8:	W2NWNW, W2SENWNW, SWNENWNW, W2SWNW, W2E2SWNW, W2NWSW, SWSW
		Section 17:	N2NWNWNE
		Section 18:	Lot 1, E2NW
<u>3) PUMPING STATION</u>	0.23	T 14 S, R 13 E	
(BLM R.O.W. UTU-7712)		Section 21:	NENE (0.23 acres thereof)
<u>4) CATCHMENT STRUCTURE A</u>	0.23	T 14 S, R 13 E	
(BLM R.O.W. UTU-87110)		Section 15:	SESW (0.23 acres therein)
<u>5) CATCHMENT STRUCTURE C</u>	0.23	T 14 S, R 13 E	
(BLM R.O.W. UTU-87110)		Section 28:	NWNW (0.23 acres therein)
<u>6) CATCHMENT STRUCTURE E</u>	0.23	T 14 S, R 12 E	
(BLM R.O.W. UTU-87110)		Section 25:	SESE (0.23 acres therein)
 <u>TOTAL FEDERAL</u>	 <u>5,736.36 acres</u>		

**TABLE 1-2
STATE (SITLA) LEASE and SPECIAL USE PROPERTIES**

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
<u>1) STATE LEASE ML 47711</u>	801.24	T 14 S, R 13 E Section 2: Lots 1 thru 4, S2N2, S2 (i.e. All) T 13 S, R 13 E Section 36: SW
<u>2) STATE COAL LEASE ML 49287</u>	881.10	T 14 S, R 13 E Section 3: Lots 1, 2, 3, S2N2, S2 Section 10: W2NW, SW, SWSE
<u>3) STATE COAL LEASE ML 51744</u>	480	T 13 S, R 13 E Section 36: N2, SE
<u>4) STATE SURFACE LEASE SPECIAL USE PERMIT (Agreement #1163)</u>	9.6	T 14 S, R 13 Section. 16: E2NESE (9.6 acres thereof, containing substitute topsil area)
<u>TOTAL STATE</u>	<u>2171.94</u>	

**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

*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.

<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

TOTAL FEE LEASES: **1189.84**

** 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>
1) <u>FEDERAL LEASE SL-068754</u> (SL-068754-U-01215)	3,130.87	T 14 S, R 13 E
		Section 10: NE, E2NW, N2SE, SESE
		Section 11: All
		Section 12: S2SW, NWSW
		Section 13: S2, NW, S2NE, NWN
		Section 14: E2, N2NW, SENW, SWNW, N2NWSW, E2SW
		Section 15: NENE, W2NE, E2SENE
		Section 23: Lot 1, N2NE, SWNE, NENW
		Section 24: N2, N2SE, NESW, NWSW
		2) <u>FEDERAL LEASE UTU-78562</u>
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: W2W2SWNW, W2NWNWSW		
Section 6: Lot 6, NESW, N2NESE, SWNESE		
Section 7: Lots 3 and 4		
Section 18: Lot 1, E2NW		

TABLE 1-4 (continued)

<u>3) 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
<u>4) 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
<u>5) STATE LEASE ML 51744</u>	212.5	T 13 S, R 13 E
		Section 36: SW, SWNWSWNW, S2S2NW, S2SWNE, W2SE, SESE, S2NESE, NWNESE
<u>6) 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
<u>7) PENTA CREEK LEASE EXTENSION</u> (Extension #1, August, 2010)	402.32	T 14 S, R 14 E
		Section 6 Lots 1, 2, 3, 4 and 5, SENW, SWNE, NWSE, SWSE, SENE, NWSESE
<u>8) 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)	0.23	T 14 S, R 13 E	Section 15: SESW (0.23 acres thereof, containing catchment structure)
<u>11) CATCHMENT STRUCTURE C</u> (BLM R.O.W . UTU-87110)	0.23	T 14 S, R 13 E	Section 28: NWNW (0.23 acres thereof, containing catchment structure)
<u>12) CATCHMENT STRUCTURE E</u> (BLM R.O.W . UTU-87110)	0.23	T 14 S, R 12 E	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>8080.58 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, NWNESE,
T13S, R14E	Section 31:	Lot 4, S2SESW, NESESW, SENWSESW, W2SWSE, S2SESWSE, S2S2SESE
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, SWNW, N2NWSW, E2SW
	Section 15	NENE, NWSENE (part thereof, containing security gate) SESW (part thereof, containing catchment structure A), W2NE, E2SENE
	Section 16	E2NESE (part thereof, containing substitute topsoil area)
	Section 21	NESENE (part thereof, containing pumping station)
	Section 23	Lot 1, N2NE, SWNE, NENW
	Section 24	N2, N2SE, NESW, NWSW
	Section 28	NWNW (part thereof, containing catchment structure C)
T14S, R14E	Section 5:	W2W2SWNW, W2NWNWSW
	Section 6	Lots 1, 2, 3, 4, 5, 6 and 7, SENW, E2SW, W2SE, S2NE, N2NESE, SWNESE, NWSESE
	Section 7*	Lots 1*, 3 and 4, SESW, SWNESW
	Section 18	Lots 1, 2 and 3, E2NW

TOTAL PERMIT AREA = 8,080.58 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	108.82	-	-	-	-	-	108.82
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	580.00	-	-	-	-	-	580.00
14/13	15	141.20	-	-	-	-	-	141.20
14/13	16	-	-	-	-	-	9.60	9.60
14/13	21	0.23	-	-	-	-	-	0.23
14/13	23	200.02	-	-	-	-	-	200.02
14/13	24	480.00	-	-	-	-	-	480.00
14/12	28	0.23	-	-	-	-	-	0.23
14/14	5	-	-	15.00	-	-	-	15.00
14/14	6	76.41	478.88	30.00	-	-	-	585.29
14/14	7	74.08	86.69	-	-	-	-	160.77
14/14	8	-	-	-	-	-	-	0.00
14/14	18	117.25	74.92	-	-	-	-	192.17
		3753.09	2631.87	493.91	351.75	39.92	810.04	8080.58

**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

9) B Canyon Portal Re-Opening: portion thereof of the following, containing 0.25 acres (all BLM)*

T 14 S, R 13 E Section 14 SWNE

TOTAL DISTURBED AREA = 31.24 acres

* Note: All disturbance associated with the B Canyon Portal Re-Opening will be within the area of previous (pre-SMCRA) disturbance.

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
		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

Jay Marshall, 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 _____)

**TABLE OF CONTENTS- MAP LIST
R645-301-500 CHAPTER 5**

MAP NUMBER	DESCRIPTION	SCALE
MAP 5-1*	Previous Disturbance	1"=100'
MAP 5-2*	Surface Ownership	1"=1000'
MAP 5-3*	Sub-surface Ownership	1"=1000'
MAP 5-4A*	Mining Projections	1"=1000'
MAP 5-4B*	Removed	1"=1000'
MAP 5-5*	Surface Facility Map	1"=1000'
MAP 5-6*	Mine Site Cross-Section & Profile Index Map	1"=1000'
MAP 5-6A*	Mine-Site Cross-Sections	1"=50'
MAP 5-6B*	Mine Site Cross-Sections	1"=50'
MAP 5-6C*	Mine Site Cross-Sections	1"=1000'
MAP 5-7*	Subsidence Map	1"=1000'
MAP 5-8*	Undisturbed Drainage Culvert Profile	1"=100'
MAP 5-9*	Mine Site Reclamation	1"=100'
MAP 5-10*	Construction/Reclamation Area-Types	1"=100'
MAP 5-11*	Construction Sequence	No scale
MAP 5-12*	Reclamation Sequence	No Scale
MAP 5-13*	Pre-construction Drainage Photos Index Map	1" = 100'
MAP 5-13(A-H)*	Pre-construction Drainage Photos	No Scale
MAP 5-14*	Pump House Site Map	1" = 10'
MAP 5-14A*	Pump House Reclamation Map	1" = 10'
MAP 5-14B*	Pump House Cross-Sections	1" = 10'
MAP 5-15*	Roads Map	1" = 100'

*Not included on disk

R645-301-520 OPERATION PLAN

R645-301-521 GENERAL

WEST RIDGE Resources, Inc. holds federal, state and fee coal leases SL-068754 and UTU-75862, state leases ML 47711, ML 49287 and ML 51744, and the Penta Creek fee lease in the West Ridge area of eastern Carbon County. Much of the Penta Creek Fee Lease, is not included within the permit area at this time and cannot be mined until the permit is amended. Refer to Map 5-4B, Mining Projections - Extended Reserves. A breakdown of the acreage of the lease areas are presented in Chapter 1 of this permit.

The mine, consists of one longwall and two continuous miner sections. The mining sequence is shown on Map 5-4A, Mining Projections. Initial mine production will come from reserves located in the southeastern portion of the existing lease area. Panels will be developed to the north and south of the mains, progressing in an eastward direction. With the existing leases, the projected life of the West Ridge Mine is 15 years. After the economically recoverable reserves within the permit area have been depleted, the portals would be sealed and reclamation of the surface facility area would begin unless additional leases were acquired.

Surface facilities will be located in C Canyon, where the left and right forks converge, in a previously disturbed area. The extent of the previous disturbance includes access roads, outcrop excavations and exploration drill holes. Previous disturbance at this site is estimated to be approximately 1.62 acres. The total proposed surface disturbed area, as delineated by the tan line on the maps, amounts to approximately 29 acres. Actual anticipated disturbance for surface facilities and topsoil stockpiles (within the disturbance area) is estimated at 26.02 acres. This includes approximately 0.79 acres of Carbon County road which has been included in the disturbed area down to the C Canyon gate, and 0.23 acres for the pumphouse area located below the minesite.

An alternate (substitute) topsoil borrow area would be located about 1 ½ miles to the west of the proposed mine site on a ten acre parcel of State School Trust land. This area would not be included unless needed for final reclamation. No surface disturbance would take place at this location until the time of final reclamation. No additional acreage should be required for the project as proposed in this permit application.

521.100 Cross Sections And Maps

The lease area is located northwest of the old Sunnyside No. 1 underground mine workings. The lease was, at one time, held by U.S. Steel Corp., who authorized Kaiser Coal Company to extend a set of test entries from the Sunnyside No. 1 mine part way through the lease. These test entries were driven to the surface in B Canyon. The portal for this test entry breakout exists presently although it has been sealed. B Canyon is located approximately one mile southeast of C Canyon where the surface facilities for the West Ridge Mine are being proposed. The extent of the underground test entry development within the lease is shown on Map 5-7, Subsidence Map. The old Sunnyside Mine test entries driven north into the proposed permit area were mined in 1959 and 1960, are now inactive and sealed to prevent public access.

The proposed surface facilities are to be situated in C Canyon. north of the old underground mine workings in the Sunnyside No. 1 Mine. The location of the old workings with respect to the proposed development is shown on Map 5-4A. Map 5-1, Previous Disturbance, shows the areal extent of the previous surface disturbance in C Canyon.

521.120 Existing Surface And Subsurface Facilities And Features

No surface or subsurface features, such as commercial buildings, transmission lines, pipelines, or agricultural related features, exist in or near the proposed permit area. Refer to Map 4-1. A pre-mining (pre-subsidence) survey was conducted prior to mining operations, which included the area of lease UTU-78652. Refer to Appendix 5-8. A recreational cabin (seasonal occupation) and trailer are located in Spring Canyon in the northern part of the permit area. In this area, the depth of cover exceeds 2500'. Within 18 months prior to longwall mining in this area a pre-subsidence survey of the cabin/trailer will be conducted. The location of this cabin is shown on Map 4-1, 5-2 and 5-7. A breakdown of the acreage of the lease areas are presented in Chapter 1 of this permit.

Man-made features in or near the proposed permit area consist primarily of roads. Refer to Map 4-1. Several small roads exist within the permit area. These roads are Carbon County RS2477 roads. They are used primarily to access the top of West Ridge by ranchers in the area.

Approximately 960' of the existing Carbon County road into "C" Canyon has been added to the West Ridge Mine permit and included as disturbed area. The addition of this portion of road was necessitated by the placement of a gate (owned by Carbon County) to allow for better visibility and turnaround area for the public during those times when the gate is closed by the operator.

Roads that lie in or within 100 feet of the proposed permit area are depicted on Map 4-1.

No spoil, waste, noncoal waste, dams, embankments, sediment pond, water treatment

or air pollution control facilities exist within the proposed permit area. A small portion of the Grassy Trail Reservoir (less than 0.6 acres) lies within a corner of the permit area.

521.130 Landownership And Right Of Entry Maps

Ownership boundaries and the names of the present owners of record for surface lands as well as underground are depicted on Maps 5-2, Surface Ownership and 5-3, Subsurface Ownership.

Map 5-4B delineates the federal coal lease SL-068754 and UTU-78562, state lease ML 47711, ML49287 and ML 51744 and the Penta Creek fee lease held by WEST RIDGE Resources, Inc., which is the area for which WEST RIDGE Resources, Inc. Resources has the legal right to enter and begin coal mining and reclamation operations. Much of the Penta Creek Fee Lease is not included within the permit area at this time. A breakdown of the acreages of the lease areas are presented in Chapter 1 of this permit.

Included in Appendix 5-2 is a letter from Carbon County granting WEST RIDGE Resources, Inc. permission to conduct mining operations within 100 feet of the Carbon County road. This would basically be that segment of road where the road enters the mine facility area.

Also included in Appendix 5-2 is an approval letter from Carbon County, allowing for the periodic closure of approximately 960' of the "C" Canyon Road from the gate to the original mine permit area. The permit area has been extended to the gate, as shown on Plate 4-1.

A public notice has been published providing for request for a public hearing as provided in R645-103-234. A copy of this notice is also included in Appendix 5-2.

521.140 Mine Maps And Permit Area Maps

The permit area proposed to be affected by the coal mining and reclamation operation is shown on Map 5-3. Permit renewals will be reapplied for on five year intervals.

521.141 The mining operation has been divided into five year mining blocks in an attempt to show future areas that will be mined under the permit renewals. The mining blocks are shown on Map 5-4B. All projections and timing are preliminary and general in nature and may change in the future depending on mining, marketing, environmental conditions and/or acquisition of additional state and federal reserves.

Surface support facilities in C Canyon will be utilized for the life of mine operations. The proposed mine surface facility area is depicted on Map 5-5, Surface Facility Map. Reclamation of the facilities will be performed following completion of mining activities and sealing of the portals.



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

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

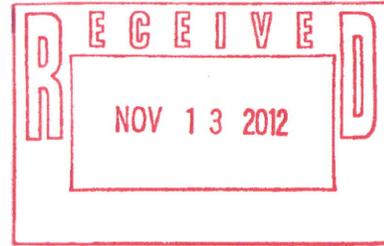
IN REPLY REFER TO:

3432

UTSL-068754-U-01215

(UT-9223)

OCT 30 2012



CERTIFIED MAIL- 7010 0780 0000 5750 1470

Return Receipt Requested

DECISION

ANDALEX Resources, Inc.
794 North "C" Canyon Road
P. O. Box 910
East Carbon, Utah 84520

:
:
:
:
:

Coal Lease
UTSL-068754-U-01215

Coal Lease UTSL-068754-U-01215 Modified Extension of Coverage of Surety Bond Accepted

Enclosed is a copy of modified coal lease UTSL-068754-U-01215 effective on November 1, 2012. The terms and conditions of the original lease are made consistent with the laws, regulations, and lease terms applicable at the time of this modification. The anniversary date of the coal lease remains June 1, 1951.

On October 18, 2012, a surety rider submitted by Karen Williams, an Attorney-in-Fact for U. S. Specialty Insurance Company, agreed to extend the coverage of the \$212,000 lease bond to the additional modified acreage. This rider is acceptable to extend that coverage and is accepted as of the date of filing.

Please note that rental in the amount of \$3.00 per acre, or fraction thereof, or a total of \$9,393 is due on the next anniversary date, beginning on June 1, 2013.

An application will have to be filed to add the modified acreage into the logical mining unit you have applied for, UTU-88553.

If you have further questions call Bill Buge at (801) 539-4086.

Kent Hoffman
Deputy State Director,
Division of Lands and Minerals

Enclosure:

1. Modified Coal Lease (9 pp.)

cc: Price Field Office

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801

ONNR, MRM, Solid Minerals Staff, Attn: Patrick Mulcahy, MS390B2, Box 25165, Denver,
CO 80225-0165

U. S. Specialty Insurance Company, c/o Reschini Agency, Inc., 922 Philadelphia Street, Indiana,
PA 15701

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. ___UTSL-068754-U-01215_

MODIFIED COAL LEASE

Date of Lease: June 1, 1951

PART I.

THIS MODIFIED COAL LEASE is entered into on NOV 01 2012, by and between the **UNITED STATES OF AMERICA**, hereinafter called the Lessor, through the Bureau of Land Management, and
ANDALEX Resources, 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 June 1, 1951, of the original **COAL LEASE UTSL- 068754 - U-01215**, and is effective for a period of 20 years from the date of issuance of the lease, dated June 1, 1951 and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms next on June 1, 2021 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- 068754 – U-01215, issued effective June 1, 1951, 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 and Tract 2.

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 3.

Tract 1:

T. 14 S., R. 13 E., SLM, Utah
Sec. 10, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 11, all;
Sec. 12, S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 13, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$;
Sec. 14, E $\frac{1}{2}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 24, N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;

Containing 2,570.67 acres

Tract 2:

T. 14 S., R. 13 E., SLM, Utah
Sec. 10, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 15, NE $\frac{1}{4}$ NE $\frac{1}{4}$;

Containing 80.00 acres

Tract 3:

T. 14 S., R. 13 E., SLM, Utah
Sec. 14, SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ E $\frac{1}{2}$ SW $\frac{1}{4}$;

Sec. 15. W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 23, lot 1, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 24, NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Containing 480.20 acres

containing 3,130.87 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.

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 \$212,000. 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 lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

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.

An application has been made to place this lease in the Westridge LMU.

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

The United States of America
BY **Kent Hoffman**

[Signature]
(Signing Officer)
DSD LANDS AND MINERALS

(Title)
OCT 30 2012

(Date)

Andalex Resources, Inc.
Company or Lessee Name

Daniel W. Hibbs
(Signature of Lessee)

President
(Title)

10/8/12
(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-068754-01215
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 and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, 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 or paleontological resources.

If cultural resources or paleontological remains (fossils) 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. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

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 tracts 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 shall be constructed from inside the mine, except at specifically approved locations.

11. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

12. 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.

13. 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.

14. Notwithstanding the approval of a resource recovery and protection plan 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.

15. 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.

16. 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.

17. **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.

18. **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.

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-068754) Tract 2, at the rate of \$0.25 per ton for the actual tonnage mined. 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.

20. **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-068754) Tract 3, at the rate of \$0.42 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
- AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

-
- 1. NOTICE OF APPEAL** A person who wishes to appeal to the Interior Board of Land Appeals must file in the office of the officer who made the decision (not the Interior Board of Land Appeals) a notice that he wishes to appeal. A person served with the decision being appealed must transmit the *Notice of Appeal* in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a *Notice of Appeal* in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).
-
- 2. WHERE TO FILE**
- NOTICE OF APPEAL** Bureau of Land Management, Utah State Office, P. O. Box 45155, Salt Lake City, Utah 84145-0151 or
Bureau of Land Management, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101
and
- WITH COPY TO SOLICITOR...** Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
-
- 3. STATEMENT OF REASONS** Within 30 days after filing the *Notice of Appeal*, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the *Notice of Appeal*, no additional statement is necessary (43 CFR 4.412 and 4.413).
- WITH COPY TO SOLICITOR...** and
Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
-
- 4. ADVERSE PARTIES** Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the *Notice of Appeal*, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413).
-
- 5. PROOF OF SERVICE** Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).
-
- 6. REQUEST FOR STAY** Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your *Notice of Appeal* (43 CFR 4.21 or 43 CFR 2801.10 or 43 CFR 2881.10). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the *Notice of Appeal* and Petition for a Stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.
- Standards for Obtaining a Stay.** Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed, your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, Subpart B for general rules relating to procedures and practice involving appeals.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. UTU-78562

MODIFIED COAL LEASE

Date of Lease February 1, 2002

PART I.

THIS MODIFIED COAL LEASE is entered into on JUN 10 2011, by and between the **UNITED STATES OF AMERICA**, hereinafter called the Lessor, through the Bureau of Land Management, and **ANDALEX Resources, Inc.**
P. O. Box 910
East Carbon, Utah 84520

hereinafter called Lessees.

This modified lease shall retain the effective date of February 1, 2002, of the original COAL LEASE UTU-78562, and is effective for a period of 20 years therefrom, and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of the 20th lease year (February 1, 2022), and each 10-year 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. Lessees as the holders of Coal Lease UTU-78562, issued effective February 1, 2002, was 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 and Tract 2.

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 3.

Tract 1:

T. 13 S., R. 13 E., SLM, Utah
Sec. 35, S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

T. 14 S., R. 13 E., SLM, Utah
Sec. 1, lots 2-7, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$,
W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$,
Sec. 12, lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 13, NE $\frac{1}{4}$ NE $\frac{1}{4}$;

T. 14 S., R. 14 E., SLM, Utah
Sec. 6, lot 6;
Sec. 7, lots 3 and 4;
Sec. 18, lot 1, E $\frac{1}{2}$ NW $\frac{1}{4}$.

Tract 3:

T. 13 S., R. 14 E., SLM, Utah
Sec. 31, lot 4, S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$,
SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$,

Tract 2:

T. 13 S., R. 13 E., SLM, Utah
Sec. 34, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 35, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$;

T. 14 S., R. 13 E., SLM, Utah
Sec. 1, lot 1;

T. 14 S., R. 14 E., SLM, Utah
Sec. 6, NE $\frac{1}{4}$ SW $\frac{1}{4}$.

T. 14 S., R. 14 E., SLM, Utah
Sec. 5, lot 4, W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$,
SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$,

S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;

W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Sec. 6, NE $\frac{1}{4}$ SE $\frac{1}{4}$;

Sec. 8, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$,
SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$,
W $\frac{1}{2}$ E $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$,
SW $\frac{1}{4}$ SW $\frac{1}{4}$;

Sec. 17, N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$.

containing 2,805.49 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.

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 10 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.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$905,000.00 . The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and 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. Lessees' failure to produce coal in commercial quantities at the end of ten years from the original date of this lease shall terminate the lease.

The Lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - The lands contained in the original lease have been included in

the LMU application UTU- 86007 filed February 1, 2008 . Within 30 days after the effective date of this lease modification, the Lessee shall amend its application for the Westridge Logical Mining Unit to include the 602.91 acres added to Coal Lease UTU- 78562 by this modification. The modified land shall be segregated into another Federal coal lease should the Lessee fail to file such an amendment.

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.

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 trail.

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

Andalex Resources, Inc.
Company or Lessee Name

Daniel W. Hibbs
(Signature of Lessee)

President
(Title)

5/26/11
(Date)

The United States of America

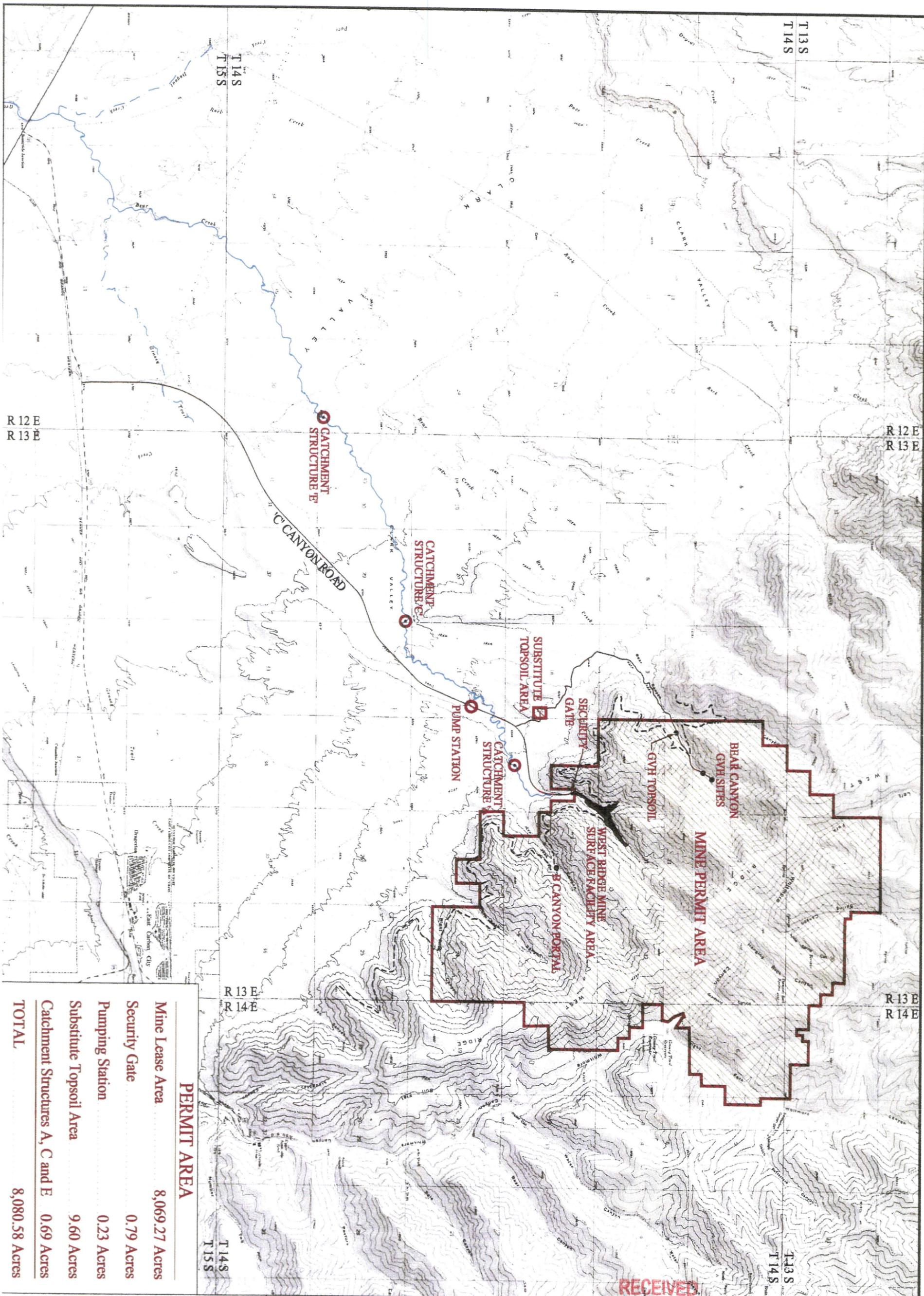
BY Kent Hoffman

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.



PERMIT AREA	
Mine Lease Area	8,069.27 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	8,080.58 Acres

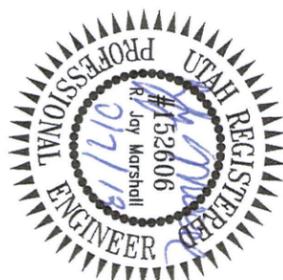
WEST RIDGE MINE
 Map 1-0, Permit Map
 Map 1-1, Location Map

DATE: 2-07-13 REV: 19 ACAD REF: Maps 1-0 and 1-1 Rev 19

LEGEND:

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

N



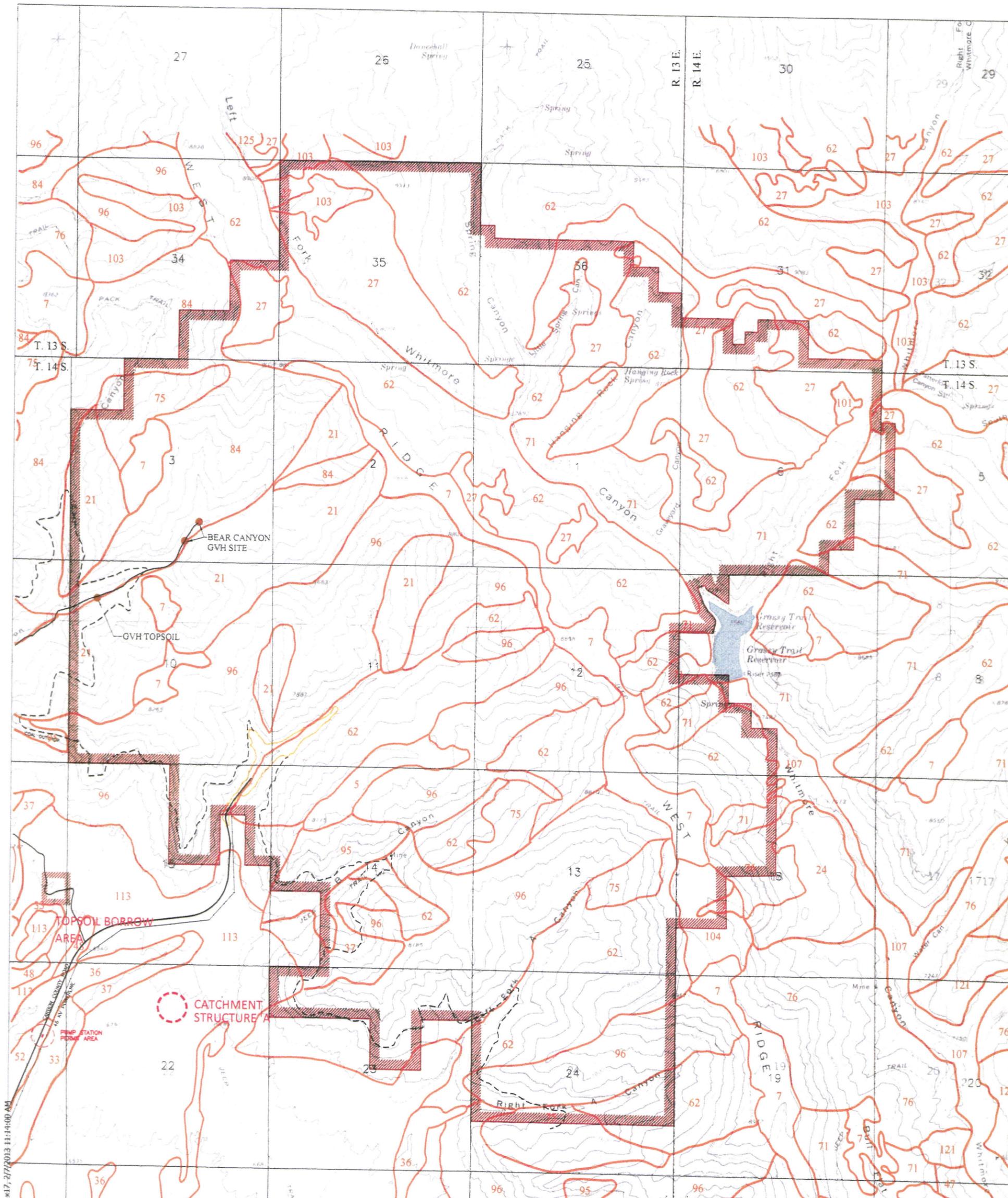
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WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=5000'



SOIL MAP UNITS

- | | | | |
|----|---|-----|--|
| 5 | Beje complex | 75 | Perma family, 15 to 40 percent slopes |
| 7 | Beje-Trag complex | 76 | Perma family-Datno complex |
| 21 | Croydon loam, 8 to 30 percent slopes | 84 | Podo-Rock outcrop complex |
| 24 | Datno Variant very stony loam, 50 to 80 percent slopes | 95 | Rock outcrop |
| 27 | Doney-Toze families complex | 96 | Rock outcrop-Rubbleland-Travessila complex |
| 33 | Gerst-Badland-Rubbleland complex, 15 to 50 percent slopes | 101 | Senchert loam, 3 to 15 percent slopes |
| 36 | Gerst-Strych-Badland complex, 3 to 50 percent slopes | 103 | Senchert-Toze family complex |
| 37 | Gerst-Strych-Badland complex, 50 to 70 percent slopes | 104 | Senchert family, 3 to 15 percent slopes |
| 48 | Haverdad loam, 1 to 8 percent slopes | 107 | Shuperi-Winnet complex |
| 49 | Haverdad loam, alkali, 0 to 3 percent slopes | 113 | Strych very stony loam, 3 to 15 percent slopes |
| 52 | Hernandez family, 3 to 8 percent slopes | 125 | Unita-Toze families complex |
| 62 | Midfork family-Commodore complex | | |
| 71 | Patchad extremely bouldery fine sandy loam, 40 to 70 percent slopes | | |

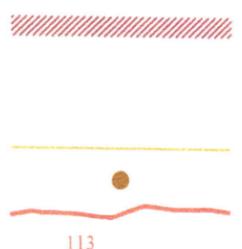
Catchment Structures C and E (Permit Areas)

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



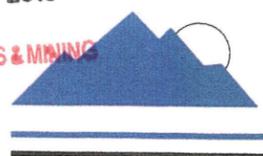
WEST RIDGE MINE
Map 2-1
Regional Soil Map

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



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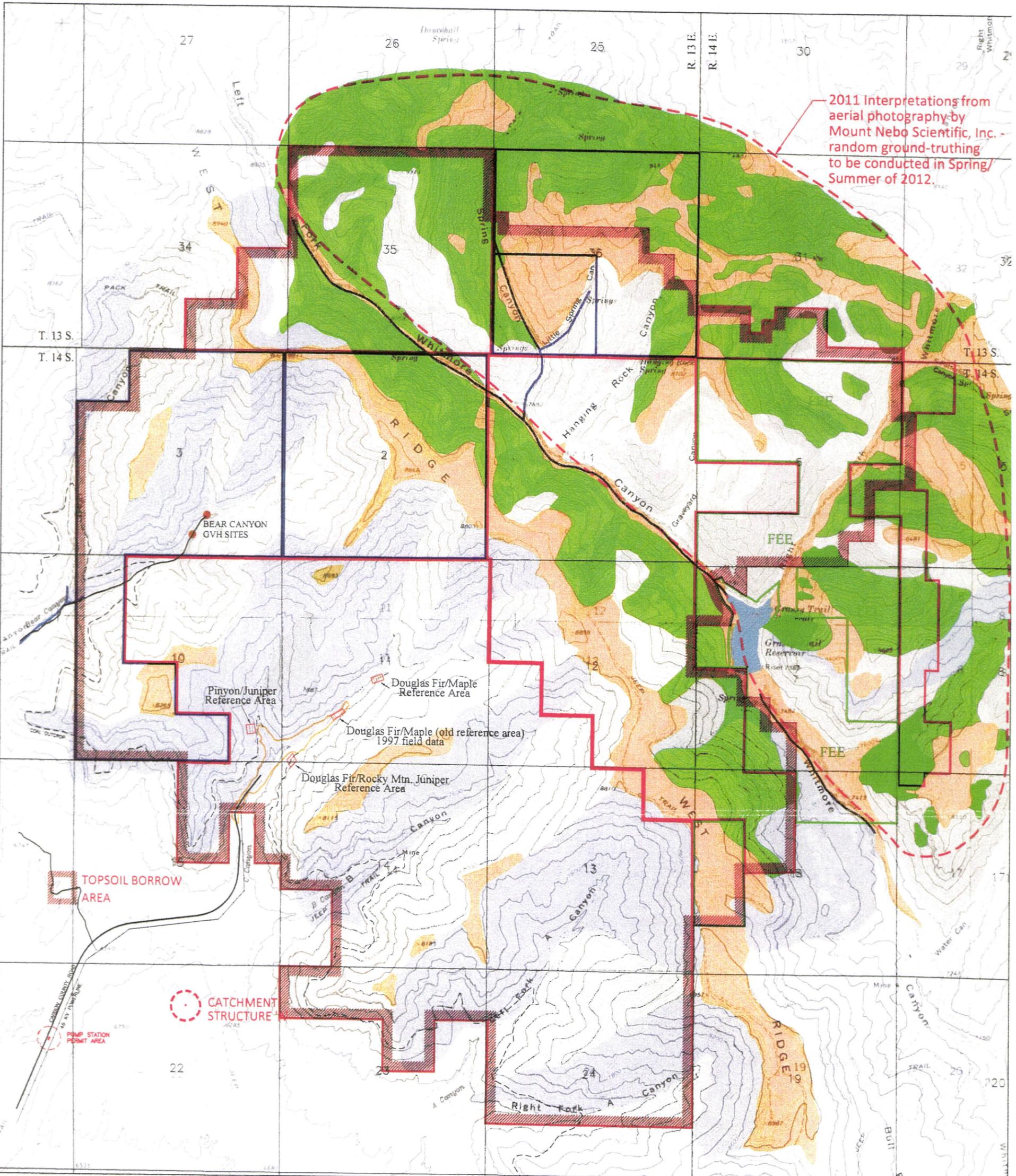
DIV. OF OIL, GAS & MINING



WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=2500'

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2011 Interpretations from aerial photography by Mount Nebo Scientific, Inc. - random ground-truthing to be conducted in Spring/Summer of 2012.

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.

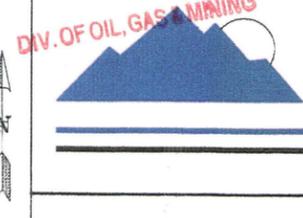
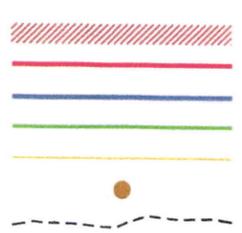
Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Pinyon/Juniper
 Catchment Structure E: Sagebrush
 See Appendix 5-15; Attachment 11



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WEST RIDGE MINE
Map 3-1
General Vegetation
Communities

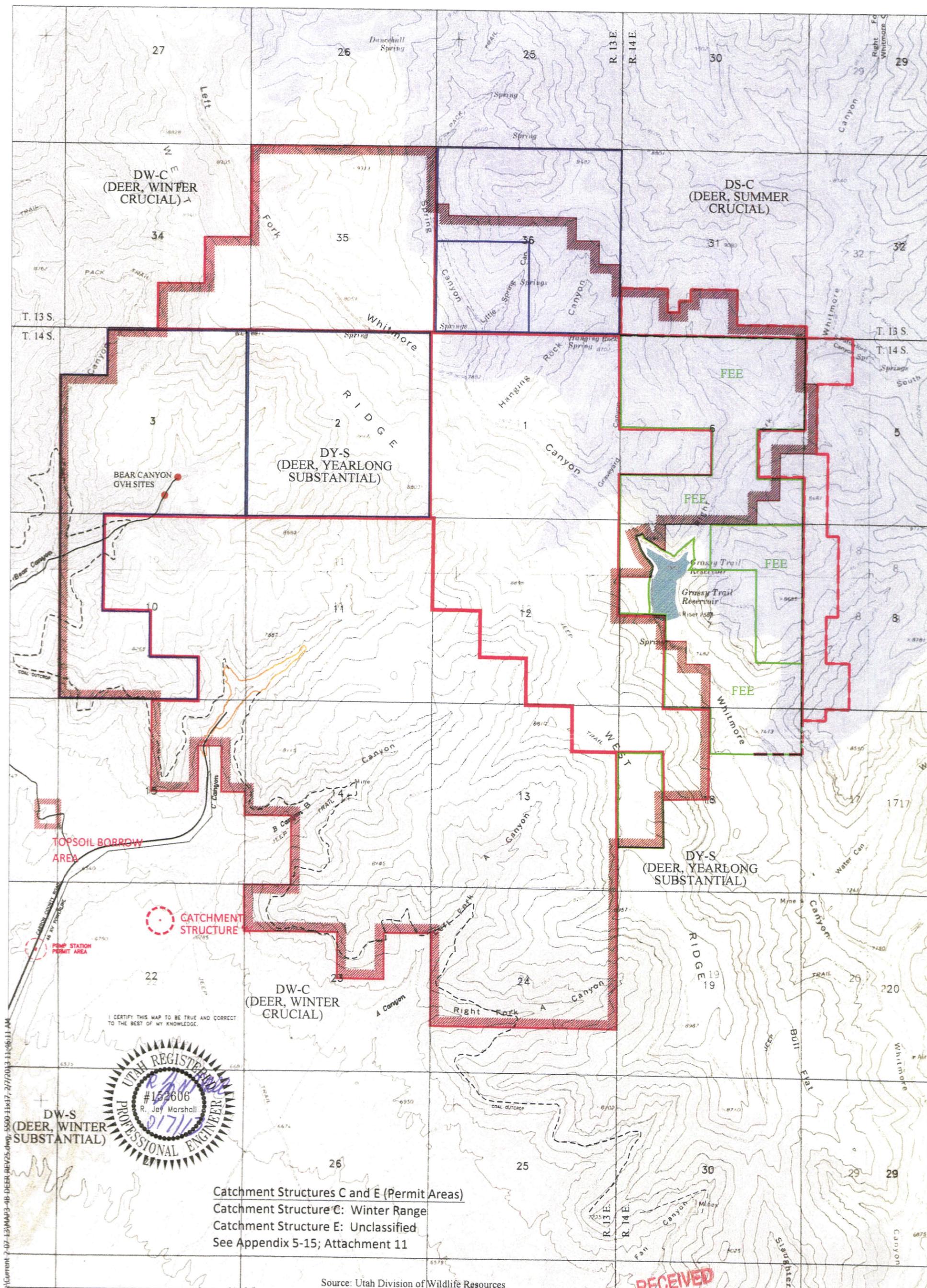
LEGEND:
 Permit Boundary
 Federal Lease
 State Lease
 Penta Creek Fee
 Surface Facility Area
 GVH Site
 Outcrop



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RESOURCES, INC.

SCALE: 1"=2500'

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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

LEGEND:

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

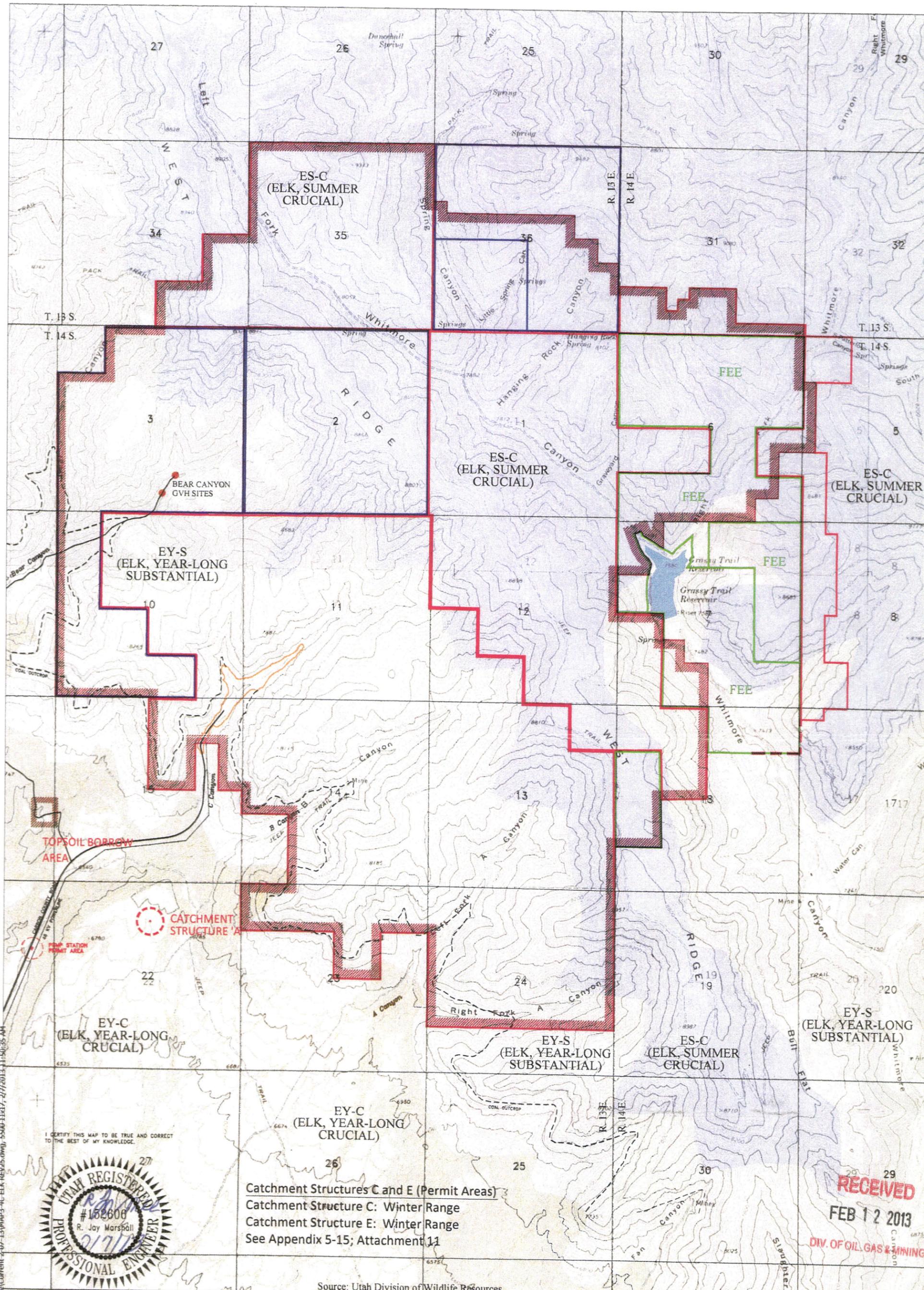
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WEST RIDGE RESOURCES, INC.

SCALE: 1"=2500'



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

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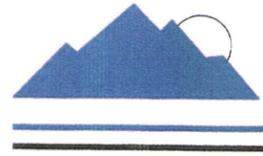
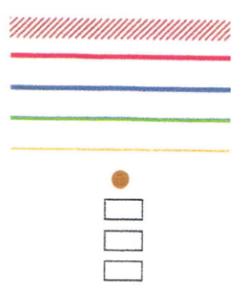
Source: Utah Division of Wildlife Resources

WEST RIDGE MINE

Map 3-4C

Wildlife Map - Elk Range

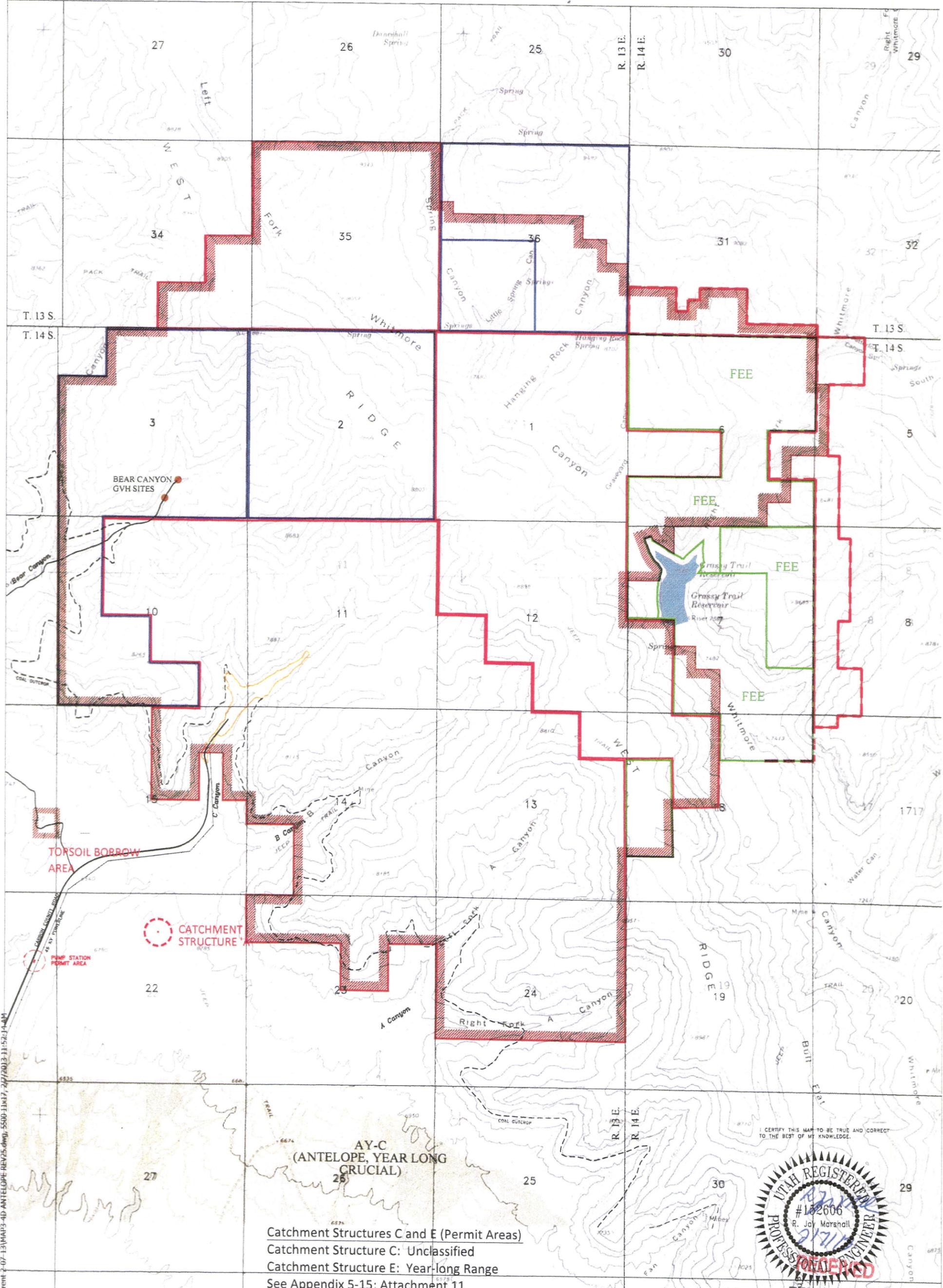
- Permit Boundary
- Federal Lease
- State Lease
- Private Fee
- Surface Facility Area
- GVH Site
- EY-C
- ES-C
- EY-S



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 RESOURCES, INC.



SCALE: 1"=2500'



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

UTAH REGISTERED PROFESSIONAL ENGINEER
 #182606
 R. Jay Marshall
REGISTERED
 FEB 12 2013

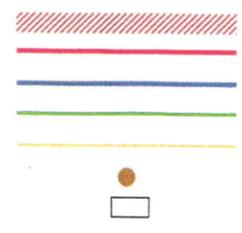
Catchment Structures C and E (Permit Areas)
 Catchment Structure C: Unclassified
 Catchment Structure E: Year-long Range
 See Appendix 5-15; Attachment 11

Source: Utah Division of Wildlife Resources

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

DATE 2-07-13 REV. 25 ACAD REF MAP3-4D ANTELOPE REV25

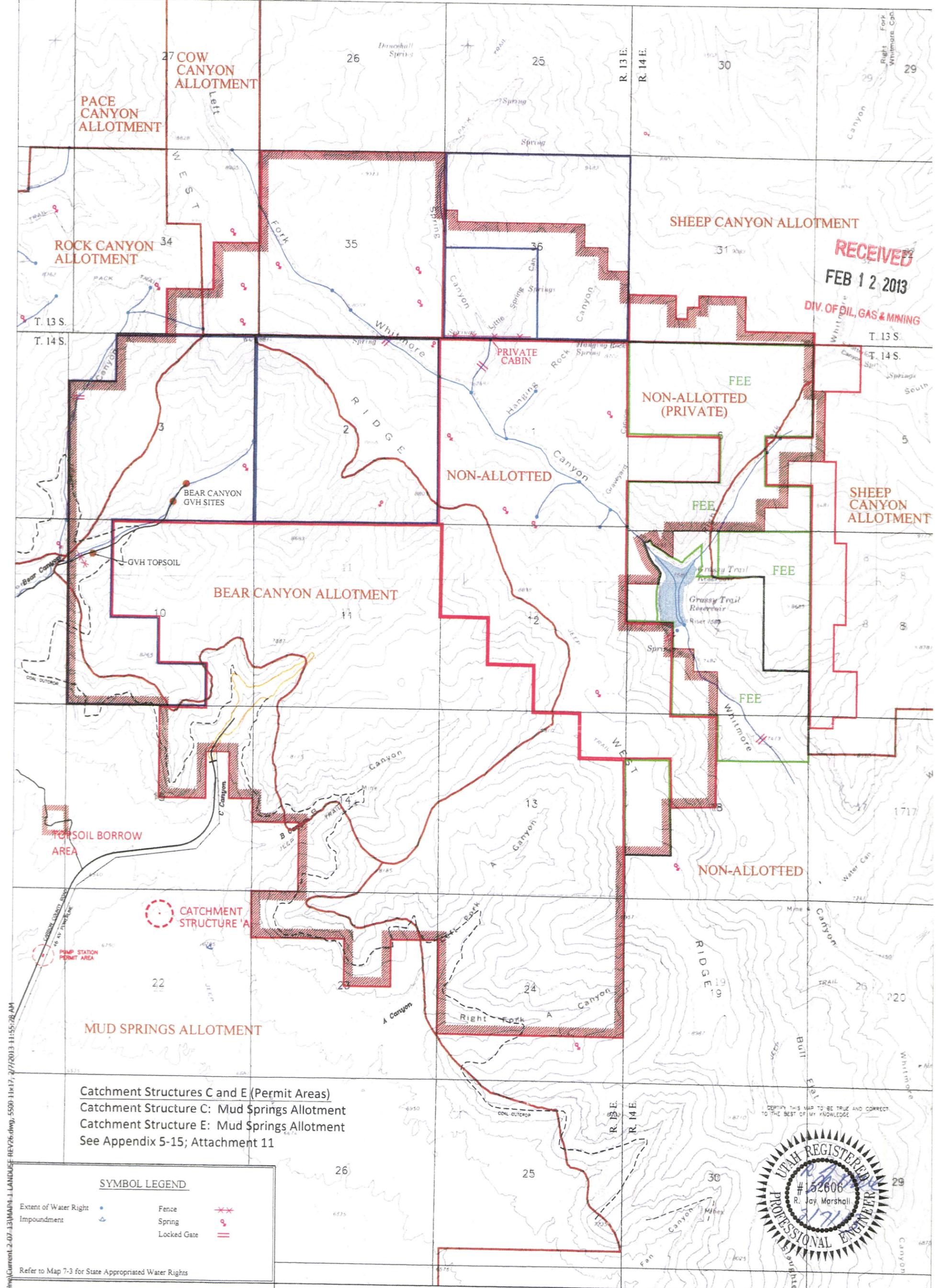
LEGEND:
 Permit Boundary
 Federal Lease
 State Lease
 Private Fee
 Surface Facility Area
 GVH Site
 AY-H



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WEST RIDGE RESOURCES, INC.

SCALE: 1"=2500'



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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

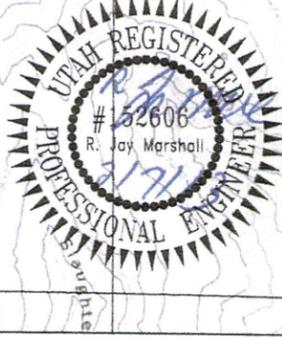
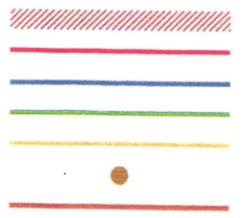
SYMBOL LEGEND

- Extent of Water Right
- Impoundment
- Fence
- Spring
- Locked Gate

Refer to Map 7-3 for State Appropriated Water Rights

WEST RIDGE MINE
Map 4-1
Existing Land Use

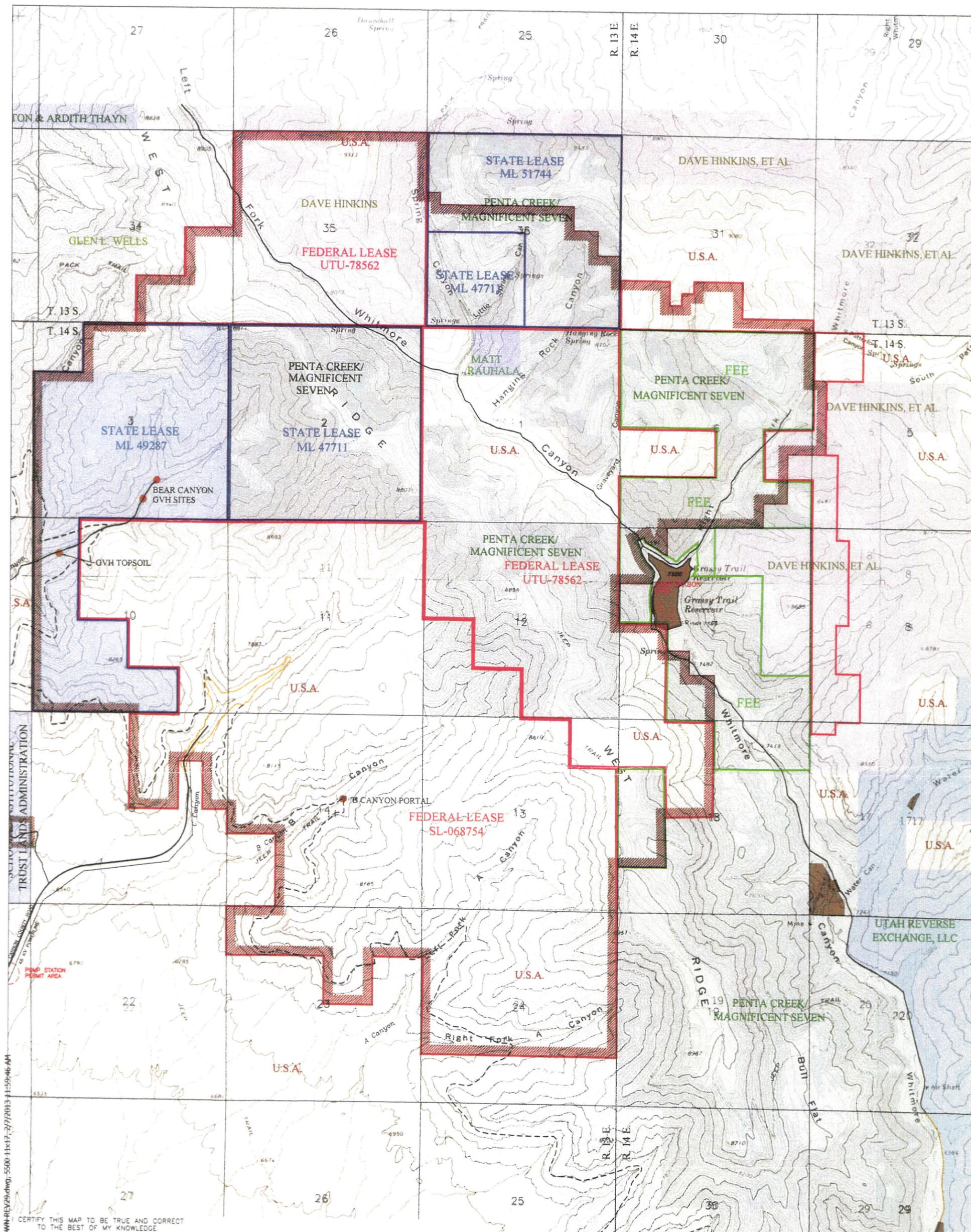
- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Penta Creek Fee
 - Surface Facility Area
 - GVH Site
 - Grazing Allotment Boundary



WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=2500'

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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

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WEST RIDGE MINE

Map 5-2

Surface Ownership Map

LEGEND:

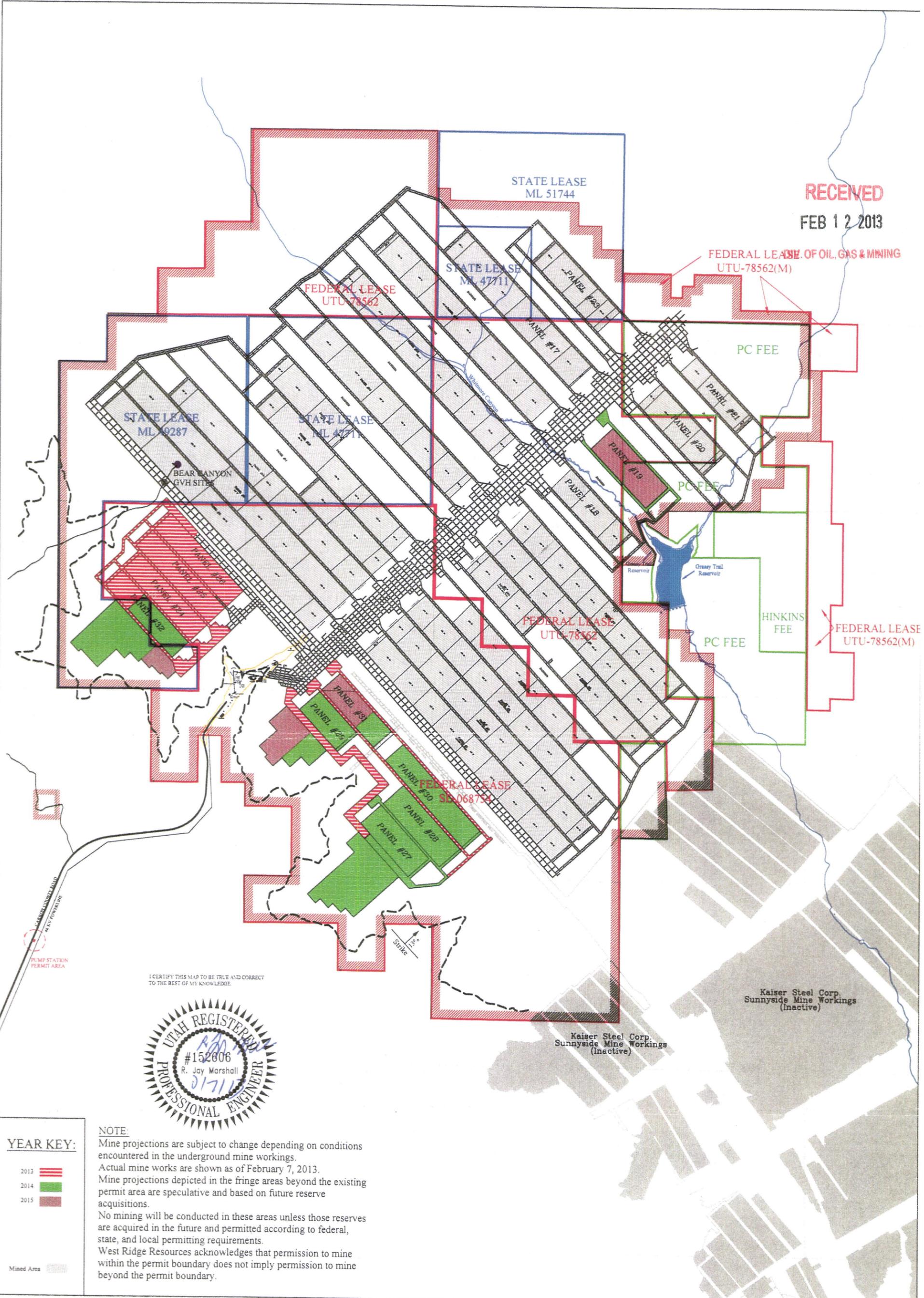
Permit Boundary		School Trust Land (SITLA)	
Federal Lease		Penta Creek/Magnificent Seven	
State Lease		U.S.A. (BLM)	
Penta Creek Fee		Dave Hinkins, et al.	
Surface Facility Area		Glen L. Wells	
GVH Site		Matt Rauhala	
Outcrop		Milton & Ardith Thayn	
		East Carbon City	
		Utah Reverse Exchange	

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SCALE: 1"=2500'

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UTU-78562(M)



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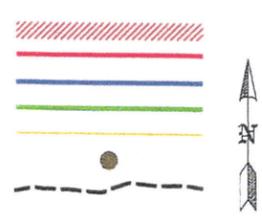
NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings.
 Actual mine works are shown as of February 7, 2013.
 Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions.
 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:

2013	
2014	
2015	

WEST RIDGE MINE
Map 5-4A
Mining Projections

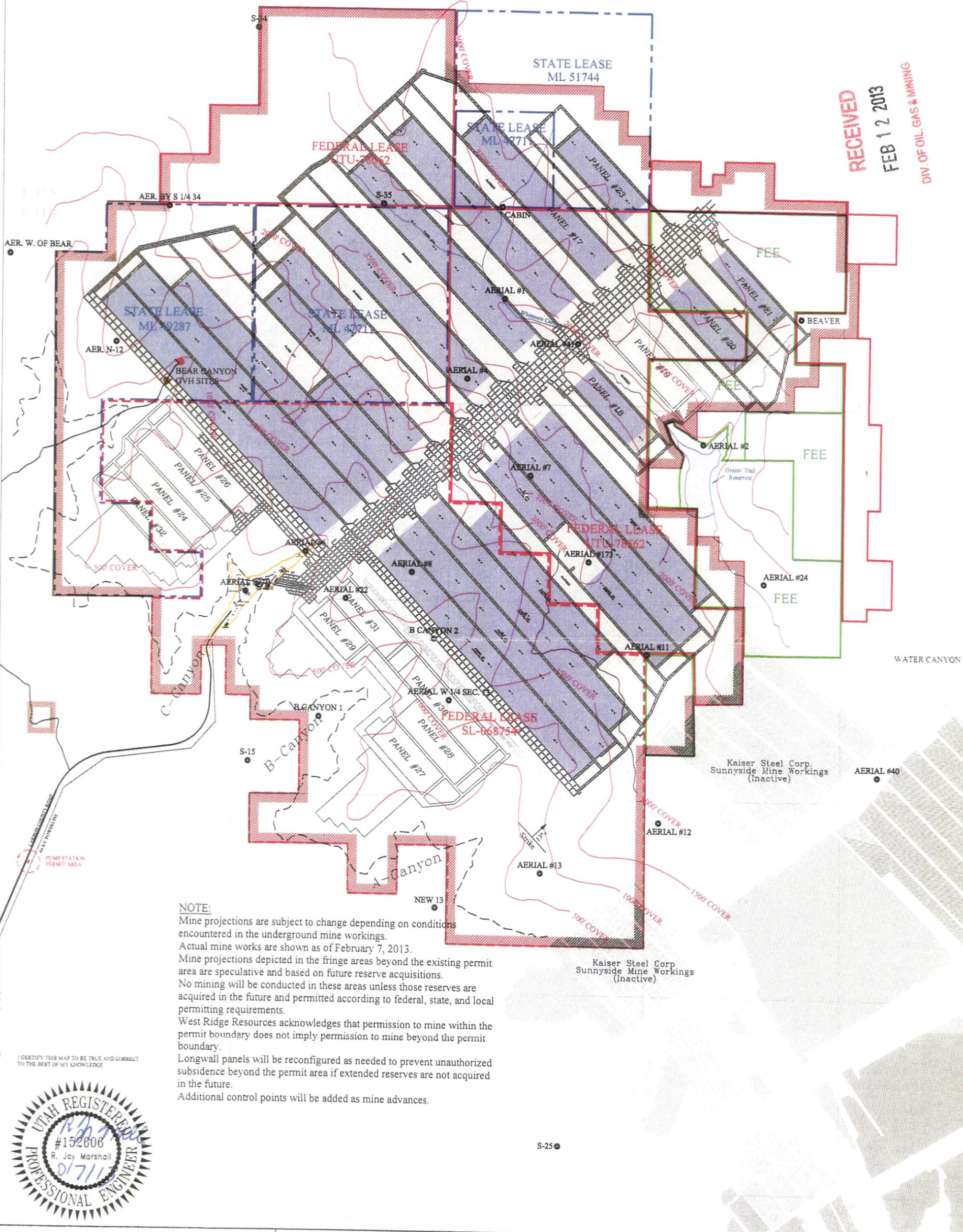
- LEGEND:**
- Permit Boundary
 - Federal Lease
 - State Lease
 - Private Fee
 - Surface Facility Area
 - GVH Site
 - Outcrop



SCALE: 1"=2500'

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NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings.
 Actual mine works are shown as of February 7, 2013.
 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.



WEST RIDGE MINE

Map 5-7

Subsidence Map

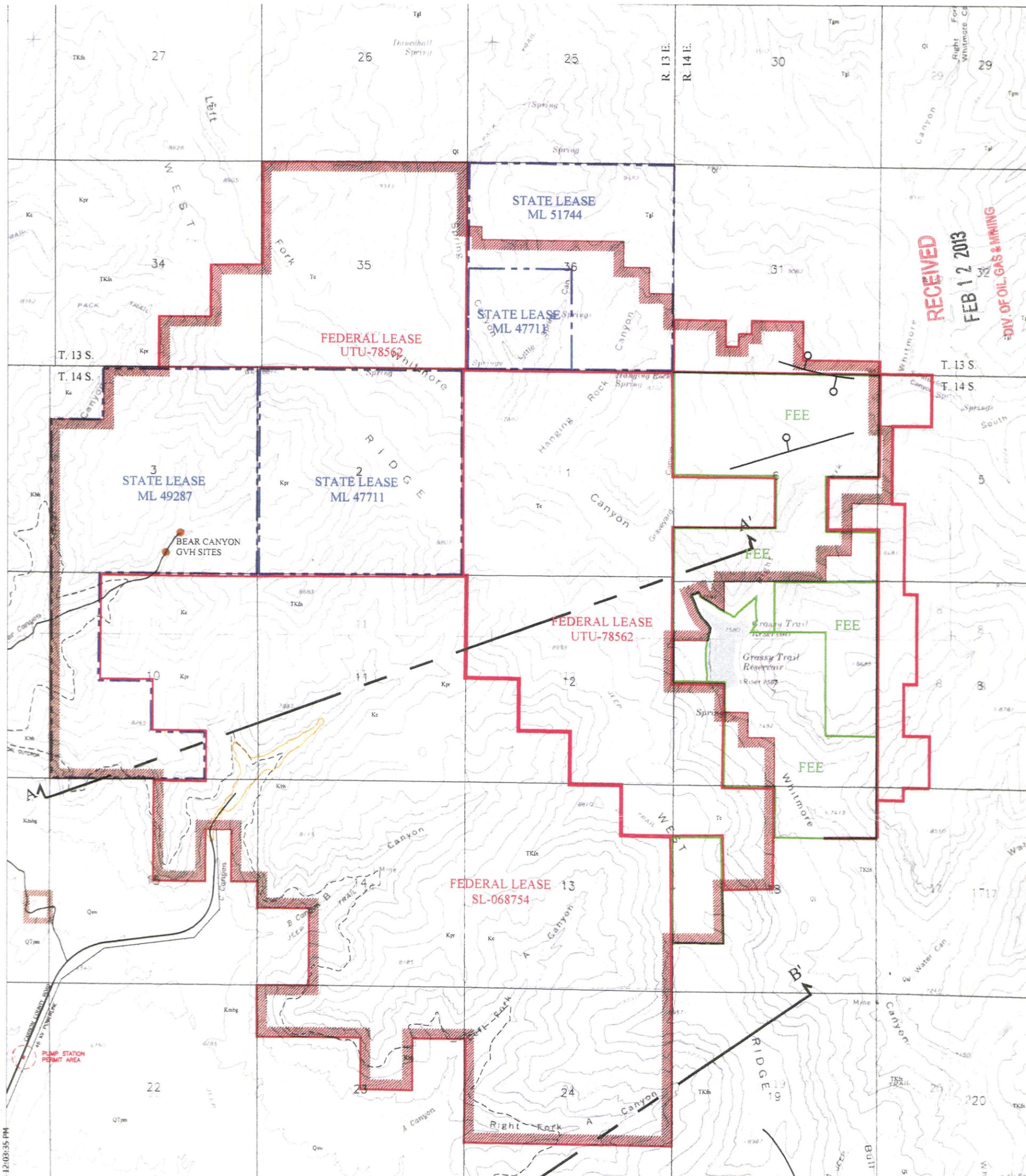
LEGEND:

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



SCALE: 1"=2500'

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FORMATION LEGEND:

Quaternary	Qal Alluvium Undifferentiated	Tertiary and Cretaceous	TKln Flagstaff Limestone and North Horn Formation
	Ql Landslide Deposits		
	Qm Slope-wash Deposits		
Holocene to Miocene(?)	QTm Pediment Mantle	Cretaceous	Kpr Price River Formation
			Kz Castlegate Sandstone
Tertiary	Tgm Middle Member		Kbh Blackhawk Formation
	Tpl Lower Member		Kmbg Main Body of the Blue Gate Member
	Tx Colton Formation		

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



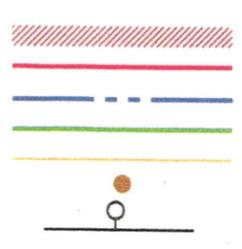
Refer to Map 6-1A for cross-section.

WEST RIDGE MINE

Map 6-1

Regional Geology Map

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



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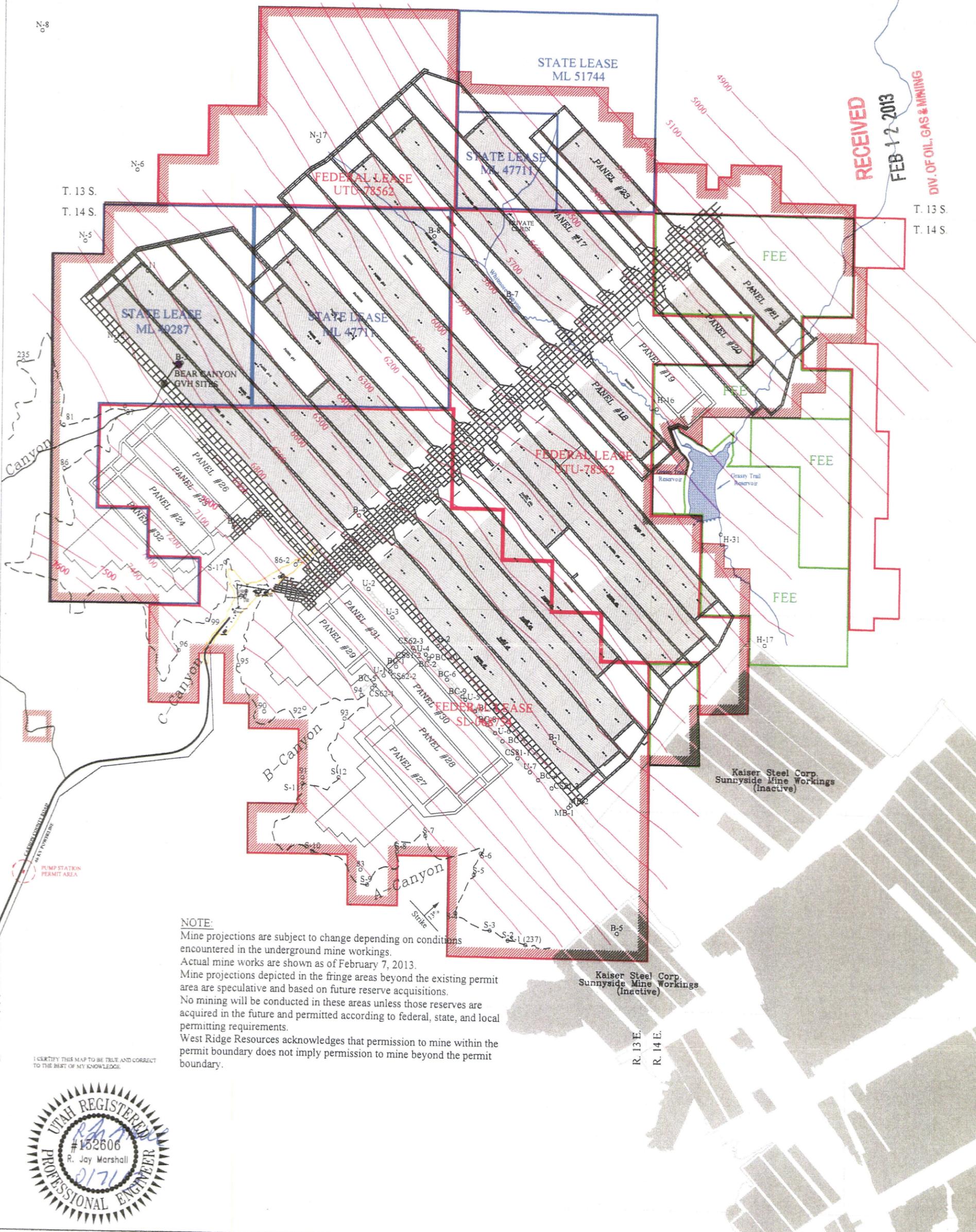
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R. 14 E.

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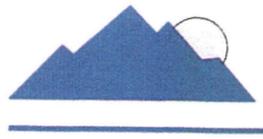
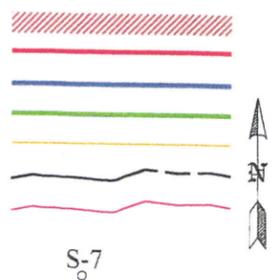
NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings.
 Actual mine works are shown as of February 7, 2013.
 Mine projections depicted in the fringe areas beyond the existing permit area are speculative and based on future reserve acquisitions.
 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.

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



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



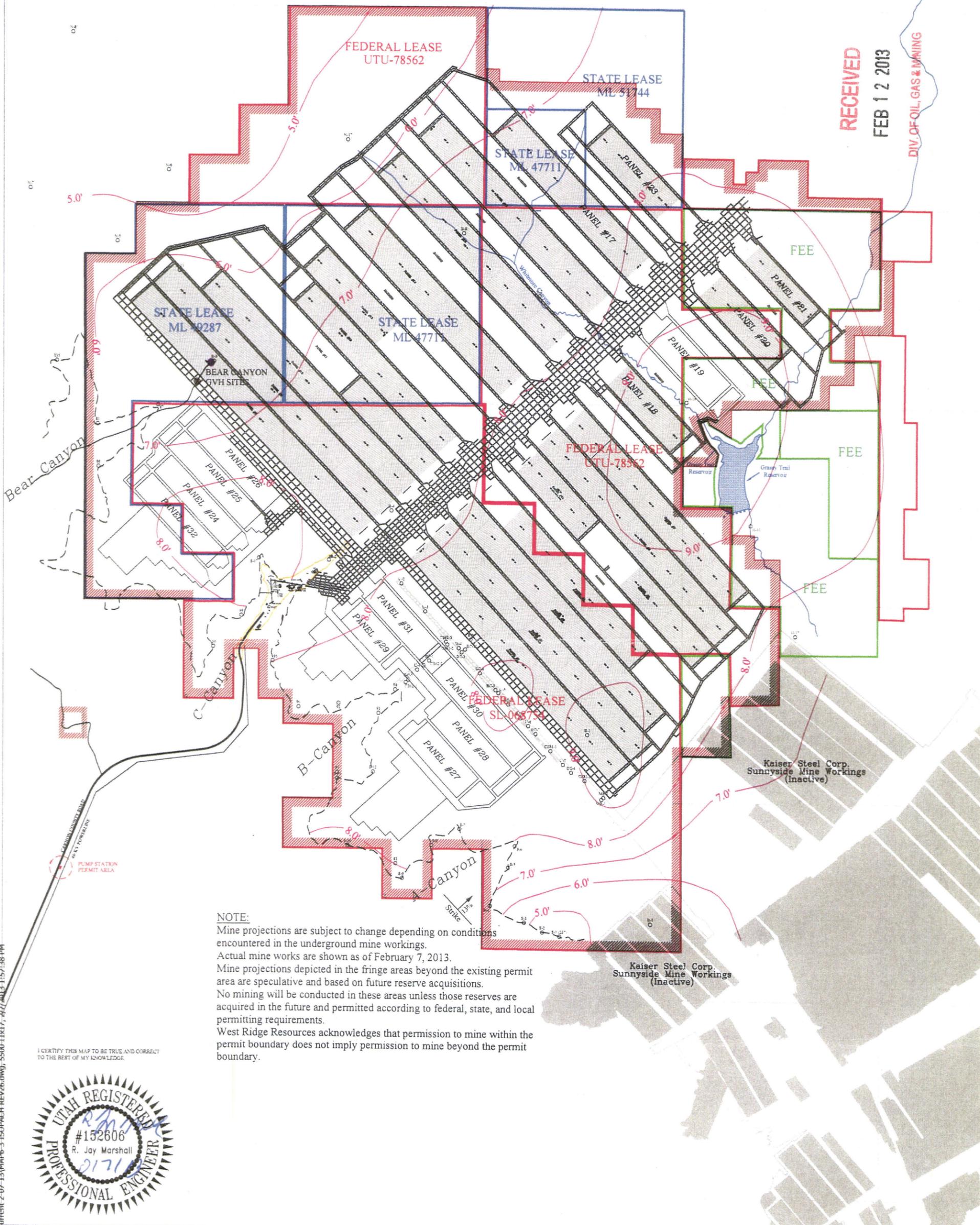
WEST RIDGE
RESOURCES, INC.

SCALE: 1"=2500'

G:\Current Drawings\WRIP Maps\West Ridge Mine\Current 2-07-13\MAP6-2 STRUCTURE REV26.dwg, 5560 11x17, 2/7/2013 11:54:41 AM

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FEB 12 2013

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NOTE:
 Mine projections are subject to change depending on conditions encountered in the underground mine workings.
 Actual mine works are shown as of February 7, 2013.
 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.

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



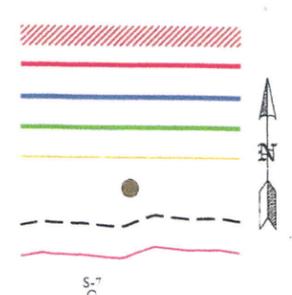
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WEST RIDGE MINE

Map 6-3

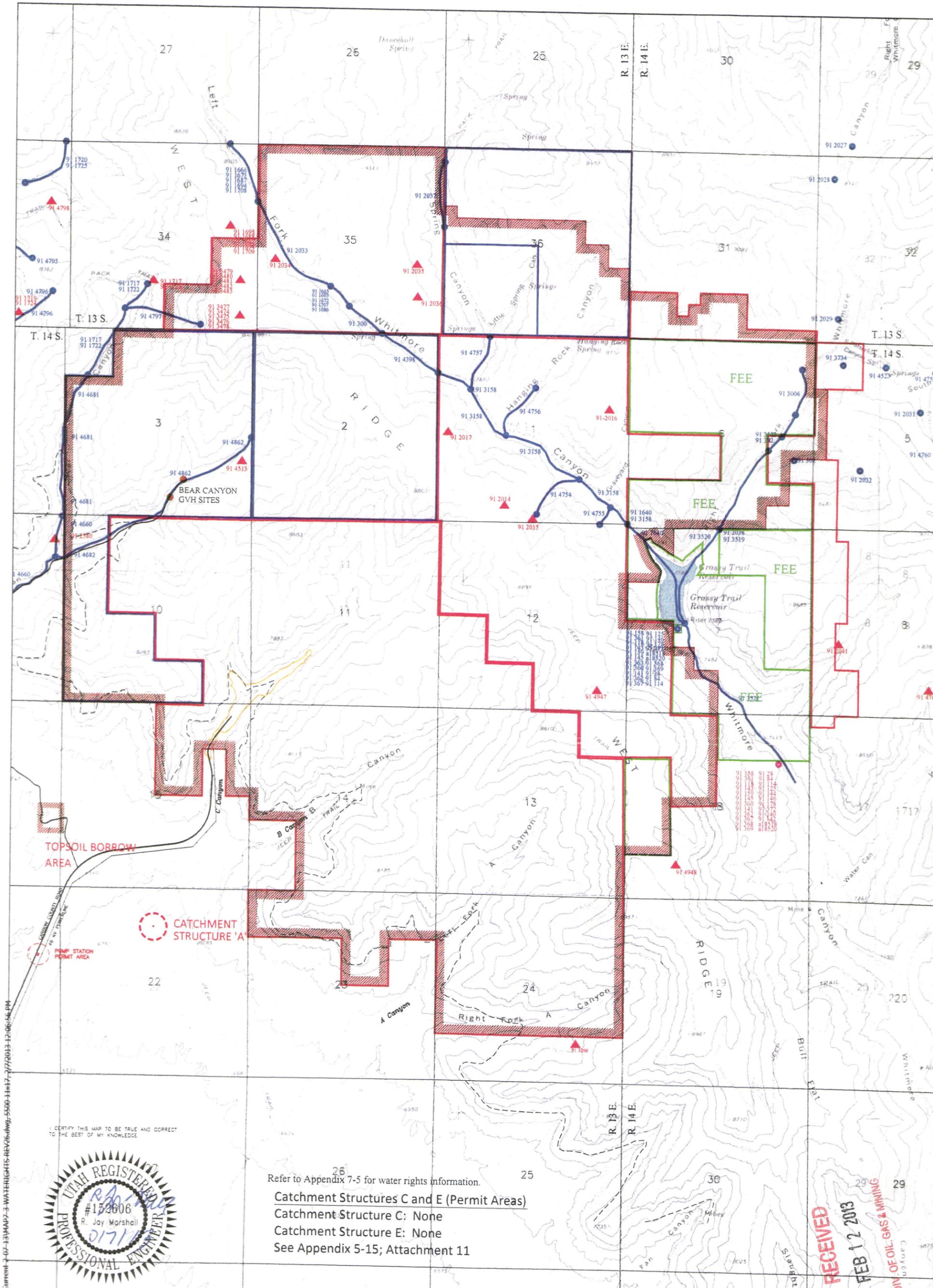
Lower Sunnyside Coal Seam Isopach Map

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



SCALE: 1"=2500'

DATE: 2-07-13 REV 26 ACAD REF: MAP6-3 ISOPACH REV26



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

UTAH REGISTERED PROFESSIONAL ENGINEER
 #152806
 R. Jay Marshall
 0171

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

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WEST RIDGE MINE

Map 7-3

Water Rights

DATE 2-07-13 REV 26 ACAD REF MAP7-3 WATERRIGHTS REV26

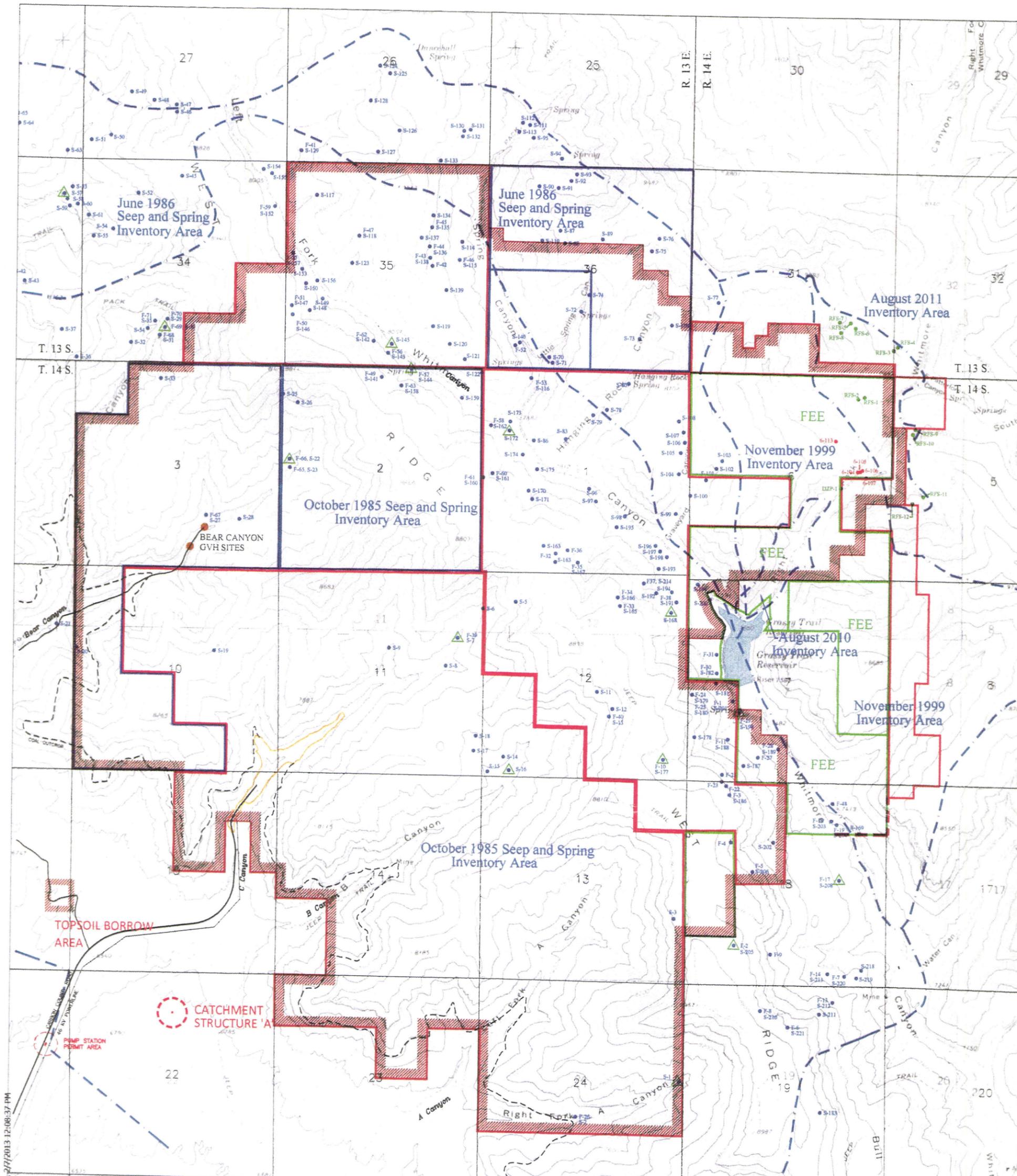
LEGEND:

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

WEST RIDGE RESOURCES, INC.

SCALE: 1"=2500'

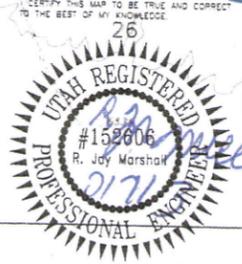
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Catchment Structures C and E (Permit Areas)
 Catchment Structure C: None
 Catchment Structure E: None
 See Appendix 5-15; Attachment 11

SEEP AND SPRING LEGEND

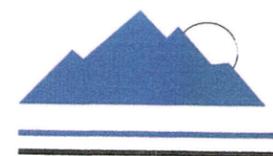
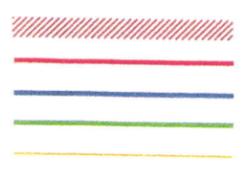
	Seep and Spring Inventory Boundary
	Location of Seep or Spring, October 1985
	Location of Seep or Spring, June 1986
	Spring Monitoring Station (1985-1989)
	Location of Seep or Spring, Nov. 1999
	Location of Seep or Spring, Aug. 2011



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WEST RIDGE MINE Map 7-5 Seep/Spring Survey Map

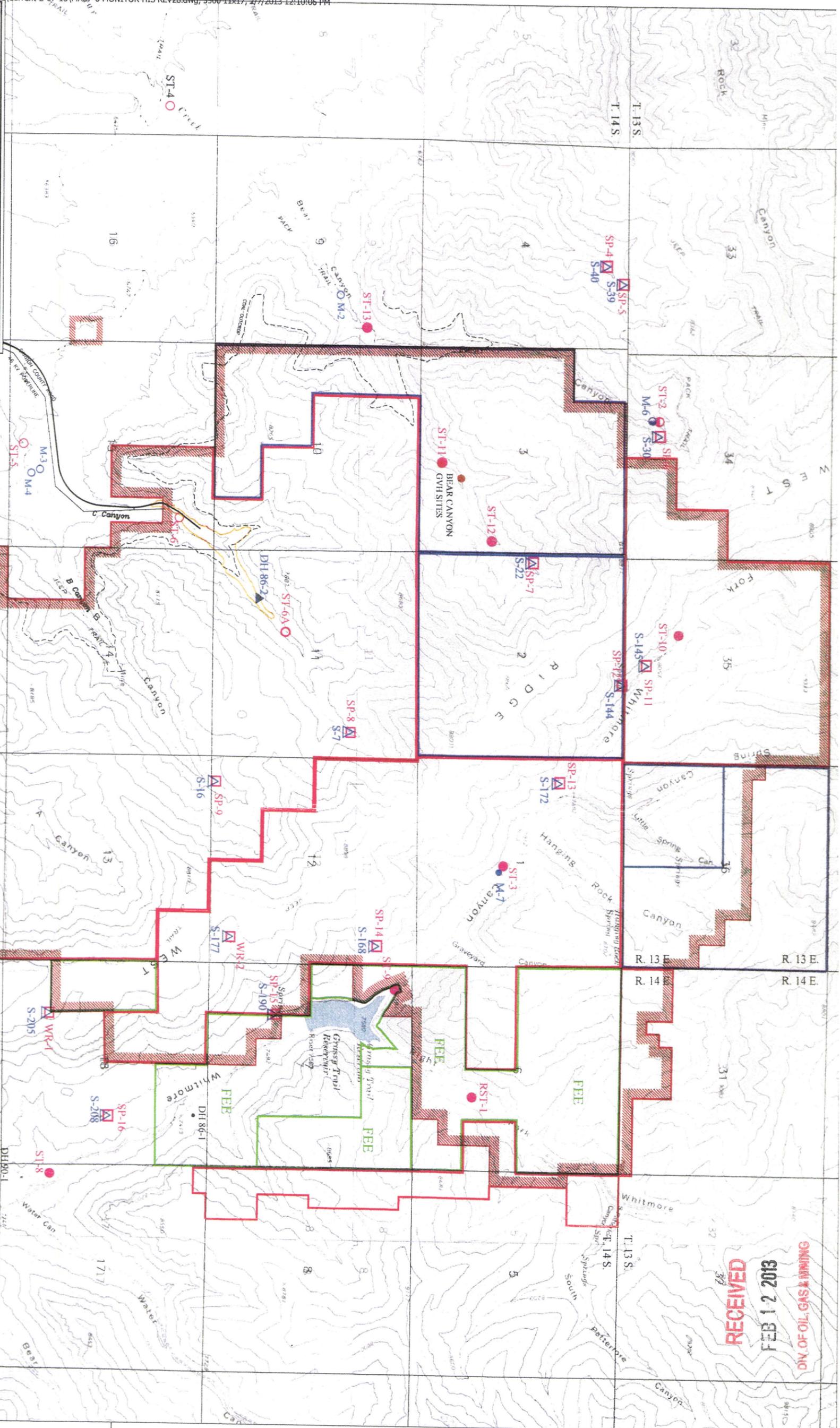
LEGEND:
 Permit Boundary
 Federal Lease
 State Lease
 Penta Creek Fee
 Surface Facility Area
 GVH Site



**WEST RIDGE
 RESOURCES, INC.**

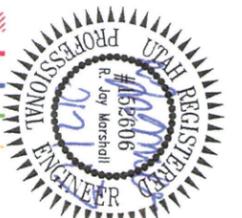
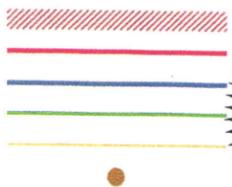
C:\Current Drawings\WRP-Maps\West Ridge Mine\Current 2-07-13\Map7-5 SEEP-SPRING REV27.dwg, 5500 11x17, 2/7/2013 12:08:37 PM

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

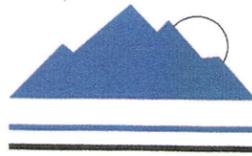


WEST RIDGE MINE
Map 7-6
Hydrologic Monitoring Map
 (Historical Monitoring Locations)

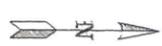
LEGEND:
 Permit Boundary
 Federal Lease
 State Lease
 Penta Creek Fee
 Surface Facility Area
 GVH Site



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



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LEFT FORK
 WATERSHED

RIGHT FORK
 WATERSHED

STATE LEASE
 ML 51744

FEDERAL LEASE
 UTS-100192

STATE LEASE
 ML 51771

FEDERAL LEASE
 UTS-100193

FEDERAL LEASE
 UTS-100194

PANEL #22

PANEL #21

PANEL #20

PANEL #19

PANEL #18

PANEL #17

PANEL #16

PANEL #15

PANEL #14

PANEL #13

PANEL #12

PANEL #11

PANEL #10

PANEL #9

PANEL #8

PANEL #7

PANEL #6

PANEL #5

PANEL #4

PANEL #3

PANEL #2

PANEL #1

PANEL #0

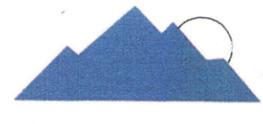
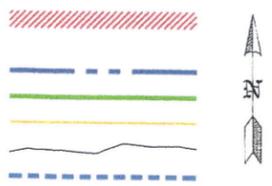
G:\Current Drawings\MINE Maps\West Ridge Mine\Current 2-07-13\Map7-8 Watershed Map REV4.dwg, 2/7/2013 2:01:36 PM

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



WEST RIDGE MINE
 Map 7-8
 Whitmore Canyon
 Watershed Map

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



WEST RIDGE
 RESOURCES, INC.

SCALE: 1"=3000'

