

BEAVER CREEK Coal Company

Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050

**RECEIVED****SEP 24 1987****DIVISION OF OIL
GAS & MINING**

September 24, 1987

Hand Delivered

Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Attention: Lowell P. Braxton, Administrator

Re: Transfer of Permits ACT/015/009 and
ACT/015/009-1 from Trail Mountain Coal
Company to Beaver Creek Coal Company

Dear Mr. Braxton:

By this letter, Beaver Creek Coal Company requests approval of the assignment of the above captioned permits from Trail Mountain Coal Company to Beaver Creek Coal Company.

Pursuant to UMC 788.18 Beaver Creek Coal Company submits the following information and materials in support of its request for approval of the assignment:

- (1) A performance bond in the amount of \$463,711.00 payable to the Division;
- (2) The name and address of the existing permittee:

Trail Mountain Coal Company
P.O. Box 550
Orangeville, Utah 84537

- (3) The name and address of the assignee and the assignee's resident agent:

(a) Assignee:

Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

Mr. Lowell P. Braxton
September 24, 1987
Page Two

(b) Resident Agent:

CT Corporation
175 South Main Street
Salt Lake City, Utah 84111

(4) The information required by UMC 782.13, 782.14, 782.15, 782.16 (c), 782.18 and 782.19:

See attached revised Chapter II to the permits - Legal, Financial, Compliance and Related Information.

In making this request, Beaver Creek Coal Company agrees to continue operations in compliance with the terms and conditions of the existing permits unless it obtains a new permit or a modification of the existing permits. Concurrently with the filing of this request, Beaver Creek Coal Company has submitted for advertisement a notice of the filing of this request. The advertisement will be in the form included in the revised Chapter II.

Please contact Mr. Dan Guy at (801) 637-5050 if you have any questions or need additional information.

Very truly yours,

BEAVER CREEK COAL COMPANY

By 
President

CHAPTER II

**LEGAL, FINANCIAL
COMPLIANCE and
RELATED INFORMATION**

Revised

September 24, 1987
Beaver Creek Coal Company
Beaver Creek Coal Company Trail Mountain No. 9 Mine

2.0 Table of Contents

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
2.1	Scope	2-1
2.2	Identification of Interests.....	2-1
2.2.1	Permit Applicant.....	2-1
2.2.2	Owners of Record of Surface Area and of Coal Rights.....	2-1
2.2.3	Holders of Leasehold Interests in Surface Area and of Coal Rights.....	2-2
2.2.4	Purchase of Record Under a Real Estate Contract for Surface Area or Coal.....	2-2
2.2.5	Operator.....	2-3
2.2.6	Resident Agent.....	2-3
2.2.7	Business Designation.....	2-3
2.2.7.1	Officers and Directors of the Applicant	2-3
2.2.7.2	Principal Shareholder of the Applicant	2-4
2.2.7.3	Names under which Applicant and Principal Shareholder Operated U.S. Coal Mines.... (within the last 5 years)	2-4
2.2.7.4	Principals, Officers, and Resident Agents.....	2-5
2.2.8	Current, Pending, or Previous Coal Mining Permits.....	2-6
2.2.9	Owners of Record of Surface and Sub- surface Areas Contiguous to Proposed Permit Area.....	2-6
2.2.10	Mine Name and MSHA Identification.....	2-7
2.2.11	Applicant's Interest in Areas Contiguous to Proposed Permit Area.....	2-7

Table of Contents (continued)

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
2.3	Compliance Information.....	2-7
2.3.1	Status of Mining Permits or Bonds.....	2-7
2.3.2	Explanation of Permit or Bond Status.....	2-8
2.3.3	Compliance Information.....	2-8
2.4	Right of Entry and Operation Information.	2-8
2.5	Relationship to Areas Designated Unsuit- able to Mining.....	2-9
2.6	Permit Term Information.....	2-10
2.7	Personal Injury and Property Damage.....	2-11
2.8	Proposed Performance Bond.....	2-11
2.9	Identification of Other Licenses and Permits.....	2-11
2.10	Identification of Location of Public Offices for Filing of Application.....	2-11
2.11	Newspaper Advertisement	2-11

APPENDICES

Appendix 1	Coal Mining Permits - Approved and Pending
Appendix 2	Compliance History
Appendix 3	Certificate of Insurance
Appendix 4	Proposed Performance Bond
Appendix 5	Other Licenses and Permits
Appendix 6	Proposed Newspaper Advertisement

LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION

2.1 UMC 782.2 Scope

The scope of the legal, financial, compliance and related information chapter of this mining and reclamation plan is to describe the status of the new owner of the Trail Mountain Mine to be renamed the Beaver Creek Coal Company Trail Mountain No. 9 Mine and to document its right to mine the property. This section is also intended to fulfill requirements of UMC 788.17 and 788.18 pertaining to Transfer of Permit Rights. It is the intent of the applicant to transfer this permit from Trail Mountain Coal Company to Beaver Creek Coal Company, and to change the mine name from Trail Mountain Mine to the Beaver Creek Coal Company Trail Mountain No. 9 Mine. Sections within this chapter cover the following major topics: identification of interests, compliance information, right of entry and operation information, proposed performance bond, other license and permits, location of public office for filing applications, and newspaper publication.

2.2 UMC 782.13 Identification of Interests

2.2.1 UMC 782.13(a)(1) Permit Applicant. The permit applicant, name and address, including telephone number:

Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Phone Number (801) 637-5050

2.2.2 UMC 782.13(a)(2) Owner of Record of Surface Area and of Coal Rights. Every legal or equitable owner of record of the areas to be affected by surface operations and facilities and every legal or equitable owner of record of the coal to be mined:

a) Surface

(i) United States of America
U.S. Forest Service
Manti-LaSal National Forest
599 West River Dr.
Price, Utah 84501

(ii) State of Utah
Division of State Lands and Forestry
Three Triad Center, Suite 400
355 West North Temple
Salt Lake City, Utah 84180

(iii) W. K. Minerals, Inc.
555 17th Street
Denver, Colorado 80202

b) Coal

(i) State of Utah
Division of State Lands and Forestry
Three Triad Center, Suite 400
355 West North Temple
Salt Lake City, Utah 84180

(ii) United States of America
Dept. of Interior
Bureau of Land Management
Moab District
P. O. Box AB
Price, Utah 84501

(iii) W. K. Minerals, Inc.
555 17th Street
Denver, Colorado 80202

2.2.3 UMC 782.13(a)(3) Holders of Leasehold Interests in Surface Area and of Coal Rights. The holder of record of leasehold interests in areas to be affected by surface operations of facilities and the holders of record of any leasehold interest in the coal to be mined is shown below:

a) Leasehold interest in surface:

None.

b) Leasehold interest in coal:

W. K. Minerals, Inc.
State Coal Lease No. ML-22603
Federal Coal Lease No. U-49332
U-082996

2.2.4 UMC 782.13(a)(4) Purchaser of Record Under a Real Estate Contract for Surface Area or Coal. Any purchaser of record under a real estate contract of area to be affected by surface operations and facilities and any purchaser of record under a real estate contract of the coal to be mined:

None.

2.2.5 UMC 782.13(a)(5) Operator. The operator, if the operator is a person different from the applicant, including his or her telephone number:

The operator is the same as the applicant.

2.2.6 UMC 782.13(a)(6) Resident Agent. The resident agent of the applicant who will accept service of process, including his or her telephone number:

C. T. Corporation System
175 South Main Street
Salt Lake City, Utah 84111
Telephone Number: (801) 364-1228

2.2.7 UMC 782.13(b) Business Designation. A statement of whether the applicant is a corporation, partnership, single proprietorship, association or other business entity:

The applicant is a Delaware corporation.

2.2.7.1 UMC 782.13(b)(1) Officers and Directors of the Applicant. The names and addresses of every officer, partner, director, or other person performing a function similar to a director of the applicant:

<u>OFFICER</u>	<u>TITLE</u>	<u>ADDRESS</u>
R. D. Pick	President and Director	Beaver Creek Coal Co. P. O. Box 1378 Price, UT 84501
T. H. Parker	Vice President	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
C. B. Smith	Vice President and Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
S. J. Shapiro	Vice President and Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
M. L. Knowles	Treasurer	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071

H. L. Edwards	Vice President and Secretary	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071
G. D. Secundy	Assistant Treasurer	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071
F. A. Breslin	Assistant Secretary	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
B. M. Hinds	Assistant Secretary	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071
E. C. Tidball	Assistant Secretary and Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
H. L. Bilhartz	Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217

2.2.7.2 UMC 782.13(b)(2) Principal Shareholder of the Applicant. The name and address of any person who is a principal shareholder of the applicant:

Atlantic Richfield Company
555 Seventeenth Street
Denver, Colorado
(Principal and only shareholder)

2.2.7.3 UMC 782.13(b)(3) Names Under Which Applicant and Principal Shareholder Operated U.S. Coal Mines. Names under which the applicant, partner, or principal shareholder previously operated underground or surface coal mining operations in the United States within the five years preceding the date of application:

- (i) Beaver Creek Coal Company
Price, Utah
- (ii) West Elk Coal Company
Somerset, Colorado

(iii) Thunder Basin Coal Company
Gillette, Wyoming

2.2.7.4 UMC 782.13(C) Principals, Officers and Resident Agents.

If any owner, holder, purchaser, or operator identified under paragraph 2.2 of this section is a business entity other than a single proprietor, the application shall contain the names and addresses of their respective principals, officers and resident agents.

The officers and directors of W. K. Minerals, Inc., the owner identified in 2.2.2, are as follows:

<u>OFFICER</u>	<u>TITLE</u>	<u>ADDRESS</u>
R. D. Pick	President and Director	Beaver Creek Coal Co. P. O. Box 1378 Price, UT 84501
T. H. Parker	Vice President	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
C. B. Smith	Vice President and Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
S. J. Shapiro	Vice President and Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
M. L. Knowles	Treasurer	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071
H. L. Edwards	Vice President and Secretary	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071
G. D. Secundy	Assistant Treasurer	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071

F. A. Breslin	Assistant Secretary	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
B. M. Hinds	Assistant Secretary	Atlantic Richfield Co. ARCO Plaza 515 South Flower Street Los Angeles, CA 90071
E. C. Tidball	Assistant Secretary	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217
H. L. Bilhartz	Director	Atlantic Richfield Co. 555 Seventeenth Street P. O. Box 5300 Denver, CO 80217

2.2.8 UMC 782.13(d) Current, Pending or Previous Coal Mining Permits. A statement of any current or previous coal mining permits in the United States held by the applicant subsequent to 1970 and by any person identified in paragraph 2.2.7.3 of this section and of any pending permit application to conduct underground or surface coal mining activities in the United States. The information shall be listed by permit or application number and identify the division for each of those coal mining operations:

See Appendix 1 - Coal Mining Permits - Approved and Pending.

2.2.9 UMC 782.13(e) Owner of Record of Surface and Subsurface Areas Contiguous to Proposed Permit Area. The names and addresses of the owners of record of all surface and subsurface areas contiguous to any part of the proposed permit area:

- a) Contiguous Surface
 - i) United States of America
Manti-LaSal National Forest
Price, Utah 84501
 - (ii) United States of America
Bureau of Land Management
Moab District
P. O. Box Ab
Price, Utah 84501

(iii) Corporation of the Presiding Bishop
of the Church of Jesus Christ
of Latter-Day Saints
50 East North Temple
Salt Lake City, Utah 84111

b) Contiguous Subsurface

- i) United States of America
Bureau of Land Management
Moab District
P. O. Box Ab
Price, Utah 84501
- ii) Corporation of the Presiding Bishop
of the Church of Jesus Christ
of Latter-Day Saints
50 East North Temple
Salt Lake City, Utah 84111
- iii) Utah Power & Light Company
1407 West North Temple
P. O. Box 899
Salt Lake City, Utah 84110

2.2.10 UMC 782.13(f) Mine Name and MSHA Identification. The name of the proposed mine and the Mine Safety and Health Administration identification number for the mine and all sections:

a) Mine Name

Beaver Creek Coal Company Trail Mountain No. 9 Mine
(formerly Trail Mountain Mine)

b) MSHA Identification Number

42-01211

2.2.11 UMC 782.13(g) Applicant's Interest in Areas Contiguous to Proposed Permit Area. A statement of all lands, interests in lands, options, or pending bids on interests held or made by the applicant for lands which are contiguous to the area to be covered by the permit:

None.

2.3 UMC 782.14 Compliance Information.

2.3.1 UMC 782.14(a) Status of Mining Permits or Bonds. A statement of whether the applicant, any subsidiary, affiliate or person controlled by or under common control has had any

federal or state mining permits suspended or revoked in the last five years or has forfeited a mining bond or security deposit:

a) Permits Suspended or Revoked

None.

b) Bond or Security Forfeited

None.

2.3.2 UMC 782.14(b) Suspension, Revocation or Forfeiture. Each application shall describe all proceedings identified under 2.3.1 and the status of any suspension, revocation or forfeiture proceedings:

None.

2.3.3 UMC 782.14(c) Compliance Information. A list of all notices of violation received by the applicant in the past 3 years for violations pertaining to air or water environmental protection:

See Appendix 2 - Compliance History.

2.4 UMC 782.15 Right of Entry and Operation Information. A description of the documents upon which the applicant bases its legal right to enter and begin underground coal activities in the permit area and whether the rights are the subject of pending litigation. For underground activities where operations involve the surface mining of coal, evidence of the right to surface mine must be provided:

a) Documents Establishing Rights

- (i) United States Coal Lease No. U-082996 dated effective July 1, 1962, covering the following land:

T. 17 S., R. 6 E., S.L.B.&M.
Section 25: E1/2E1/2SW1/4,
SW1/4SE1/4;

- (ii) United States Coal Lease No. U-49332 dated effective March 1, 1983, covering the following land:

T. 17 S., R. 6 E., S.L.B.&M.
Section 25: S1/2NW1/4, W1/2SW1/4,
W1/2E1/2SW1/4,

Section 26: SE1/4NE1/4,
E1/2SW1/4NE1/4,
E1/2SE1/4,
E1/2W1/2SE1/4,
Section 35: Lots 1 and 2,
SE1/4NE1/4,
E1/2SW1/4NE1/4,
E1/2SE1/4,
E1/2W1/2SE1/4;

- (iii) State of Utah Coal Lease No. ML-22603 dated effective February 8, 1965, covering the following land:

T. 17 S., R. 6 E., S.L.B.&M.

Section 36: Lots 1-8, E1/2 (All);

- (iv) Private Land obtained under Warranty Deed dated October 30, 1978 from Trail Mountain Coal, Ltd. to Trail Mountain Coal Company, covering the following land:

T. 17 S., R. 6 E., S.L.B.&M.

Section 25: Beginning at the SW corner of the NW1/4SE1/4, then north 160 rods, then east 44 rods to the centerline of Cottonwood Creek, then south along the centerline to a point 76 rods east of the point of beginning then west 76 rods to the point of beginning.

- b) Pending Litigation

None.

- c) Surface Mining Rights

None.

2.5 UMC 782.16 Relationship to Areas Designated Unsuitable for Mining. The relationship of the permit area to possible areas designated as being unsuitable for mining, whether an exemption is claimed under UMC 786.19(d)(2), and whether surface operations will be conducted within 300 feet of occupied dwellings:

a) Areas Designated Unsuitable for Mining

The proposed permit area is not within an area designated unsuitable for the surface effects of underground coal mine activities under UMC 754. Neither is the proposed permit area under study for designation in an administrative proceeding initiated under those parts. Mining would not affect renewable resource lands and would not result in substantial losses of food, fiber, or water supply. The permit area contains no prime farmland or merchandisable timber. Mining would not affect natural hazard lands and thereby endanger life and property. In addition, the permit area includes no cemeteries, no national trails, no wild and scenic rivers, no wilderness or wilderness study areas, and no sufficient harvestable forest cover.

b) Exemption

The applicant does not claim exemption under UMC 786.19(d)(2).

c) Dwellings

There are no occupied dwellings within 5 miles of the proposed permit area.

2.6 UMC 782.17 Permit Term Information. The number of surface acres to be affected and the horizontal and vertical extent of the workings:

a) Surface Acres Affected

The number of surface acres to be disturbed by the operation is 8.8 acres. In addition, the entire 1414.77 acres of the permit area has some potential to be affected by underground mining. There are no plans for additional surface disturbance for this operation at this time.

b) Horizontal Extent of Underground Workings

All 1414.77 acres of the permit area will be affected by underground development.

c) 2.6.3 Vertical Extent of Workings

The work performed within the permit area will remain within the Hiawatha seam. The Hiawatha seam is the only minable seam in the area.

d) Permit Term.

This permit will be for the term of the previous permit - starting on February 21, 1985 through February 21, 1990. The permit is expected to be renewed at 5 year intervals throughout the life of the mine, which is from 1985 through 2000.

2.7 UMC 782.18 Personal Injury and Property Damage Insurance Information. A certificate of liability insurance or evidence that the self insurance requirements in UMC 806.14 are satisfied:

See Appendix 3 - Certificate of Liability Insurance.

2.8 Proposed Performance Bond. A proposed performance bond in the name of Beaver Creek Coal Company is included. This bond will replace the existing bond for Trail Mountain Coal Company upon approval of the permit transfer:

See Appendix 4 - Performance Bond.

2.9 UMC 782.19 Identification of Other Licenses and Permits. A list of all other licenses and permits under applicable state and federal law needed by the applicant to conduct underground coal ining activities:

See Appendix 5 - Other Licenses and Permits.

2.10 UMC 782.20 Identification of Location of Public Office for Filing of Application. Beaver Creek Coal Company will simultaneously file a complete copy of this permit application for public inspection with:

- a) Emery County Recorder
Emery County Courthouse
Castle Dale, Utah
- b) Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

2.11 UMC 782.21 Newspaper Advertisement and Proof of Publication.
On the date of the filing of the permit transfer application with the Division of Oil, Gas and Mining, the applicant will also file an advertisement in the Emery County Progress and Sun Advocate, local newspapers with circulation in Carbon and Emery Counties sufficient to cover the locality of the applicants operations. The advertisements follows the format under UMC 788.18(b)(1). This advertisement will be run as required. A copy of the proposed advertisement is attached.

See Appendix 6 - Proposed Newspaper Advertisement.

APPENDIX 1

COAL MINING PERMITS - APPROVED AND PENDING

<u>Company and Mine Name</u>	<u>Type of Permit</u>	<u>Name and Address of Issuing Authority</u>	<u>Permit or Application Number</u>	<u>Status</u>
Beaver Creek Coal Company Gordon Creek No. 2 Mine	Mine Plan Approval	U.S. Geological Survey Salt Lake City, Utah	U-8319	Approved 01-24-78
Beaver Creek Coal Company Gordon Creek No. 2/7 Mines	State Mining Permit	Utah Dept. of Natural Resources	ACT/007/016	Issued 08-27-84
Beaver Creek Coal Company Gordon Creek No. 2 Mine	Mine Plan Approval Lease Modification	U.S. Office of Surface Mining Denver, Colorado	UT-0010	Issued 05-05-80
Beaver Creek Coal Company Gordon Creek No. 3 and 6 Mines	State Mining Permit	Utah Dept. of Natural Resources Division of Oil, Gas & Mining Salt Lake City, Utah	INA/007/017	Issued 09-11-86
Beaver Creek Coal Company Huntington Canyon No. 8 Mine	Mine Plan Approval	U.S. Geological Survey Salt Lake City, Utah	U-33454	Approved 02-16-77
Beaver Creek Coal Company Huntington Canyon No. 4 Mine	State Mining Permit	Utah Dept. of Natural Resources Division of Oil, Gas & Mining Salt Lake City, Utah	INA/015/004	Issued 04-10-85
Beaver Creek Coal Company Castle Valley Spur Coal Process- ing and Loadout Facility	State Mining Permit	Utah Dept. of Natural Resources Division of Oil, Gas & Mining Salt Lake City, Utah	ACT/007/022	Issued 08-06-84
Thunder Basin Coal Company Black Thunder Mine	Permit to Mine	Land Quality Division Dept. of Environmental Quality Cheyenne, Wyoming	233	Issued 12-03-74
Thunder Basin Coal Company Black Thunder Mine	License to Mine	Land Quality Division Dept. of Environmental Quality Cheyenne, Wyoming	233-L1	Issued 12-03-74
Atlantic Richfield Company Coal Creek Mine	Licenses to Mine	Dept. of Environmental Quality Cheyenne, Wyoming	483-L1	Issued 03-16-79
Atlantic Richfield Company Coal Creek Mine	Mine Plan Approval	U.S. Office of Surface Mining Washington, D.C.	W4-0003	Approved 03-16-79

Appendix 1 Continued

<u>Company and Mine Name</u>	<u>Type of Permit</u>	<u>Name and Address of Issuing Authority</u>	<u>Permit or Application Number</u>	<u>Status</u>
Atlantic Richfield Company Mt. Gunnison No. 1 Mine	Mine Permit Application	Colorado Mine Land Reclamation Reclamation Division Dept. of Natural Resources	C-007-80	Issued 07-31-81
Atlantic Richfield Company Rocky Hill No. 1 Underground	Research and Development Test- ing License Application	Land and Water Quality Division Dept. of Environmental Quality Cheyenne, Wyoming		Submitted 02-81
Thunder Basin Coal Company Black Thunder Mine	License to Mine Overstripping Agree- ment Kerr McGee Coal Corporation	Land Quality Division Dept. of Environmental Quality Cheyenne, Wyoming	233-L2	Issued 12-17-77
Thunder Basin Coal Company Black Thunder Mine	Permit to Mine Amendment	Land Quality Division Dept. of Environmental Quality Cheyenne, Wyoming	233-A1	01-27-78
Thunder Basin Coal Company Black Thunder Mine	State Program Approval	Land Quality Division Dept. of Environmental Quality Cheyenne, Wyoming	TPN 1/207	Submitted 10-31-80
Atlantic Richfield Company Black Thunder Mine	Mine Plan Approval	U.S. Geological Survey Billings, Montana	W-2313 W-36094	Approved 02-24-76
Atlantic Richfield Company Coal Creek Mine	Mine Plan Approval	Land Quality Division Dept. of Environmental Quality Cheyenne, Wyoming	483	Approved 03-16-79
Atlantic Richfield Company Coal Creek Mine	Permit to Mine Cheyenne, Wyoming	Dept. of Environmental Quality	483	Issued 03-16-79

APPENDIX 2
 BEAVER CREEK COAL COMPANY
 COMPLIANCE HISTORY
 (1984-1987)

<u>Date</u>	<u>Location</u>	<u>Agency</u>	<u>N.O.V. #</u>	<u>Description</u>	<u>Proceedings</u>	<u>Status</u>	<u>Abatement Action</u>
02-09-84	#4	DOG&M	84-6-2-1	Blocked road drainage	Assessment Conf. 5-10-84	Vacated	Remove snow blockage
02-22-84	#2/7	DOG&M	84-6-3-1	Sediment pond waste	None	03-14-84 Terminated	Remove material
04-18-84	#2/7	DOG&M	84-6-5-1	Failure to maint. sed. pond	Assessment Conf. 9-20-84	07-16-84 Terminated	Meet EPA limits
06-06-84	#2/7	DOG&M	84-6-6-5(1)	Failure to meet app. plan	Assessment Conf. 11-1-84	07-16-84 Terminated	Modify plans
06-06-84	#2/7	DOG&M	84-6-6-5(2)	Short circuit in pond	Assessment Conf. 11-1-84	07-16-84 Terminated	Repaired pond
06-06-84	#2/7	DOG&M	84-6-6-5(3)	Failure to divert	Assessment Conf. 11-1-84	07-16-84 Terminated	Repaired ditch
06-06-84	#2/7	DOG&M	84-6-6-5(4)	Contribution of sediment	Assessment Conf. 11-1-84	07-16-84 Terminated	Completed const.
06-06-84	#2/7	DOG&M	84-6-6-5(5)	Failure to smooth topsoil	Assessment Conf. 11-1-84	Vacated	None
06-15-84	#2/7	DOG&M	84-6-7-1	Fail to meet app. plan	None	06-26-84 Terminated	Repaired barn
07-17-84	#2/7	DOG&M	84-8-6-1	Plugged culvert	None	08-14-84 Terminated	Cleaned culvert
08-28-84	#4	DOG&M	84-6-12-1	Plugged culvert	None	09-18-84 Terminated	Cleaned culvert
09-18-84	#2/7	DOG&M	84-6-3-1	Fail to protect hyd. bal.	Assessment Conf. 3-4-85	10-12-84 Terminated	Submit plans
12-17-84	#2/7	DOG&M	84-8-4-1	Fail to comply w/permit	Assessment Conf. 7-6-85	01-19-85 Terminated	Submit response
01-15-85	#2/7	DOG&M	85-8-2-1	Fail to comply w/permit	Assessment Conf. 3-12-86	01/21/85 Terminated	Submit monitoring

<u>Date</u>	<u>Location</u>	<u>Agency</u>	<u>N.O.V. #</u>	<u>Description</u>	<u>Proceedings</u>	<u>Status</u>	<u>Abatement Action</u>
02-26-85	#2/7	DOG&M	85-8-4-1	Fail to comply w/permit	None	02-27-85 Terminated	Repair drainage
03-25-85	#2/7	DOG&M	85-8-5-1	Sediment to stream	Assessment Conf. 2-20-86	Vacated	Clean ditch
04-12-85	#2/7	DOG&M	85-8-6-1	Sediment to stream	Assessment Conf. 3-12-86	04-25-85 Terminated	Clean structures
06-04-85	#2/7	DOG&M	C-85-8-2-1	Failure to abate	Assessment Conf. 2-19-86	06-18-85 Vacated	Abate 85-8-5-1
06-18-85	C.V.	DOG&M	85-8-9-1	Fail to protect hyd. bal.	None	06-18-85 Terminated	Repair drainage
08-08-85	#2/7	DOG&M	85-8-11-1	Pipe leak to sed. pond	None	08-23-85 Terminated	Repair leak
09-26-85	#2/7	DOG&M	85-8-17-1	Fail to comply w/permit	None	02-03-86 Terminated	Permit disposal
10-02-85	#4	DOG&M	85-8-18-1	Fail to protect topsoil	None	10-02-85 Terminated	Repair Berm
03-12-86	#2/7	DOG&M	86-4-2-1	Erosion on Class I road	Assessment Conf. 8-27-86	06-17-86 Terminated	Repair, submit plans
04-07-86	#3/6	DOG&M	86-8-7-1	Sediment pond outlet	None	04-29-86 Terminated	Repair structure
08-06-87	#3/6	DOG&M	87-26-5-1	Fail to monitor water	Pending	08-06-87 Terminated	Monitor per plan
08-06-87	#3/6	DOG&M	87-26-6-1	Erosion control	Pending	09-03-87 Terminated	Repair outlets
08-06-87	#3/6	DOG&M	87-26-7-1	Plugged culverts	Pending	09-03-87 Terminated	Repair culverts

APPENDIX 3

Certificate of Liability Insurance

[see accompanying Certificate of Insurance]

**INSURANCE COMPANY OF NORTH AMERICA
GROUP OF INSURANCE COMPANIES
CERTIFICATE OF INSURANCE**

(This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage, limits, terms or conditions of the policies it certifies.)

This is to Certify to

State of Utah
Division of Oil, Gas and Mining
Utah Department of Natural Resources
4241 State Office Building
Salt Lake City, UT 84114

COMPANY CODES

- CIGNA INSURANCE COMPANY
- INA OF TEXAS
- PACIFIC EMPLOYERS INS. CO.
- INSURANCE COMPANY OF NORTH AMERICA
- INA INS. CO. OF ILLINOIS
- INA INS. CO. OF OHIO
- (OTHER; - SPECIFY)

FOLD

that the following described policy or policies, issued by The Company as coded below, providing insurance only for hazards checked by "X" below, have been issued to:

NAME AND ADDRESS OF INSURED
Atlantic Richfield Company, Its Subsidiaries and subsidiaries thereof as now or hereinafter constituted, Atlantic Richfield Plaza, 515 So. Flower Street, Los Angeles, CA 90071

covering in accordance with the terms thereof, at the following location(s):

Including Beaver Creek Coal Company

TYPE OF POLICY	HAZARDS	CO. CODE	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY
(a) Standard Workmen's Compensation & Employers' Liability	<input type="checkbox"/>	<input type="checkbox"/>			\$ Statutory W. C. One Accident and Aggregate Disease
(b) General Liability Premises—Operations (including "Incidental Contracts" as defined below) Independent Contractors Completed Operations/Products Contractual, (Specific type as described in footnote below)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9	SCG GO 9690657	01-01-87 to 01-01-90	\$ Each Person Each { <input type="checkbox"/> Accident <input type="checkbox"/> Occurrence *See Below \$ Aggregate—Completed Operations/Products
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
Property Damage Premises—Operations (Including "Incidental Contracts" as defined below) Independent Contractors Completed Operations/Products Contractual, (Specific type as described in footnote below)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9	SCG GO 9690657	01-01-87 to 01-01-90	\$ Each { <input type="checkbox"/> Accident <input type="checkbox"/> Occurrence *See Below \$ Aggregate—Prem./Oper. \$ Aggregate—Protective \$ Aggregate—Completed Operations/Products \$ Aggregate—Contractual
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
(c) Automobile Liability Owned Automobiles Hired Automobiles Non-owned Automobiles	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9	SCA 010862	01-01-87 to 01-01-90	\$ *See Below Each Person \$ Each { <input type="checkbox"/> Accident <input type="checkbox"/> Occurrence
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
Property Damage Owned Automobiles Hired Automobiles Non-owned Automobiles	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9	SCA 010862	01-01-87 to 01-01-90	\$ *See Below Each { <input type="checkbox"/> Accident <input type="checkbox"/> Occurrence
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> 9			
(d) (See reverse)					*\$2,000,000 Combined Single Limit

Contractual Footnote: Subject to all the policy terms applicable, specific contractual coverage is provided as respects

- (Check a contract
 Applicable purchase order agreements
 Block all contracts) between the Insured and:

It is the intention of the company that in the event of cancellation of the policy or policies by the company, ten (10) days' written notice of such cancellation will be given to you at the address stated above.

NAME OF OTHER PARTY

DATE (if applicable)

CONTRACT NO. (if any)

DESCRIPTION (OR JOB)

Definitions: "Incidental contract" means any written (1) lease of premises (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinances, or in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement.

George McManus Authorized Representative

APPENDIX 4

**Proposed Performance Bond
for
Beaver Creek No. 9 Mine**

Bond Number U63 05 13
 Permit Number ACT/015/009
 Mine Name Beaver Creek No. 9 Mine

STATE OF UTAH
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING
 355 West North Temple
 3 Triad Center, Suite 350
 Salt Lake City, Utah 84180-1203
 (801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Beaver Creek Coal Company as principal, and United Pacific Insurance Company as surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Office of Surface Mining in the penal sum of Four Hundred Sixty-Three Thousand Seven Hundred Eleven dollars (\$ 463,711.00). Such sum shall be payable to one, but not both, of the above-named agencies.

The principal estimated in the Mining and Reclamation Plan filed with the Division of Oil, Gas and Mining on the 3rd day of March, 19 81, that 1414.77 acres of land will be disturbed by this mining operation in the State of Utah. A description of the disturbed land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Beaver Creek Coal Company
Principal (Company)

LEGAL
ad

By Charles B. Smith
Company Officer - Position
Charles B. Smith, Vice President

Date: September 22, 1987

United Pacific Insurance Company
Surety (Company)

By James M. Kade
Surety Company Officer - Position
James M. Kade, Attorney-in-Fact

DATE: September 21, 1987

APPROVED AS TO FORM:

By _____
Assistant Attorney General

Beaver Creek No. 9 Mine

Exhibit A

Affected Area (Permit Area)

Township 17 South, Range 6 East, SLB&M

Section 25: S1/2 NW1/4, W1/2 SW1/4, W1/2 E1/2 SW1/4, SW1/4
SE1/4, E1/2 E1/2 SW1/4

Begin at point of SW Corner of NW1/4 SE1/4, thence North
160 Rods, thence East 44 Rods to center of Cottonwood
Creek, Southward along creek to a point 76 Rods east of the
beginning, thence west 76 Rods to the Point of Beginning.

Section 26: SE1/4 NE1/4, E1/2 SW1/4 NE1/4, E1/2 SE1/4,
E1/2 W1/2 SE1/4

Section 35: N1/2 NE1/4, SE1/4 NE1/4, E1/2 SW1/4 NE1/4,
E1/2 SE1/4, E1/2 W1/2 SE1/4

Section 36: All

Disturbed Area:

Township 17 South, Range 6 East, SLB&M

Section 25: 8.8 acres in the SW1/4 NE1/4

Signed, sealed, and dated this 21st day of September 1987.

United Pacific Insurance Company

By: James M. Kade
James M. Kade, Attorney-in-Fact

UNITED PACIFIC INSURANCE COMPANY

HOME OFFICE, FEDERAL WAY, WASHINGTON

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Washington, does hereby make, constitute and appoint James M. Kade of Denver, Colorado

its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of Suretyship,

and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorneys-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This power of attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved, that the signatures of such directors and officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed, this 30th day of April 1985.

UNITED PACIFIC INSURANCE COMPANY

Vice President



STATE OF Pennsylvania }
COUNTY OF Philadelphia } ss.

On this 30th day of April, 1985 personally appeared Raymond MacNeil

to me known to be the Vice-President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.

My Commission Expires:

September 28, 1987



Notary Public in and for State of Pennsylvania

Residing at Philadelphia

I, J. A. Daily, Assistant Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 21st day of Sept 1987



Assistant Secretary

UNITED PACIFIC INSURANCE COMPANY

HOME OFFICE, FEDERAL WAY, WASHINGTON

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Washington, does hereby make, constitute and appoint James M. Kade of Denver, Colorado

its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of Suretyship,

and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorneys-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This power of attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved, that the signatures of such directors and officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed, this 30th day of April 1985.

UNITED PACIFIC INSURANCE COMPANY

Vice President



STATE OF Pennsylvania }
COUNTY OF Philadelphia } ss.

On this 30th day of April, 1985 personally appeared Raymond MacNeil

to me known to be the Vice-President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.

My Commission Expires:

September 28, 1987



Notary Public in and for State of Pennsylvania

Residing at Philadelphia

I, J. A. Daily, Assistant Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 21st day of September 1987.



Assistant Secretary

APPENDIX 5

Other Licenses and Permits
Beaver Creek Coal Company Trail Mountain No. 9 Mine

		<u>Date of Approval</u>
1. Mining Permit UT-0017	Office of Surface Mining	02-19-85
2. Mining Permit ACT/015/009	Utah Division of Oil, Gas & Mining	02-19-85
3. National Pollutant Discharge Elimination System	Utah Department of Health Environmental Health Division	11-03-80 Pending Renewal Approved by E.P.A.
4. Permit Approval on Sediment Pond (less than 2 ac. - ft.)	Utah Department of Health Environmental Health Division	
	Utah Department of Natural Resources State Engineer	N/A
5. Special Use Permit	U.S. Forest Service, Manti-LaSal National Forest	11-03-80
6. Current MSHA I.D. #42-01211	U.S. Department of Labor	03-22-83
7. Septic Tank	Utah Division of Health	06-17-77
8. Emery County Business Permit	Emery County Commission	01-01-83
9. Explosive Permit #942707831	I.R.S.	05-05-81
10. Notice of Intent to Mine Coal	State Industrial Commission	06-04-81
11. Air Quality	Utah Department of Environmental Health	Letter of Approval
12. Spill Prevention Control and Counter Measure Plan	U.S. Environmental Protection Agency	Pending
13. Dam Design Review	Dam Safety	N/A
14. Driveway Permit		N/A

		<u>Date of Approval</u>
15. Water Rights Appropriation of Record of Diversion	Utah Division of Water Rights	March, 1981
16. Mining Permit (Tract II) ACT/015/009-1	Utah Division of Oil, Gas & Mining	04-30-87
17. Permit Transfer (Trail Mountain to Beaver Creek)	Utah Division of Oil, Gas & Mining	Pending

APPENDIX 6

Proposed Newspaper Advertisement

Public Notice

Beaver Creek Coal Company has applied for approval of the transfer of the Mining and Reclamation Permit for the Trail Mountain Mine from Trail Mountain Coal Company to Beaver Creek Coal Company.

The applicant is:

Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

The original permittee is:

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah 84537

The permit(s) for which transfer is being sought are Utah # ACT/015/009 (Federal #UT-0017) and Utah # ACT/015/009-1. These are Mining and Reclamation Permits for the Trail Mountain Mine, which is located in the Cottonwood Canyon area of Emery County, Utah in Sections 25, 26, 35 and 36, T. 17 S., R. 6 E., S.L.B.&M.

Written comments on this application for transfer may be addressed to:

Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203