

0010

Original 015/015 #5  
cc: Lowell

RECEIVED

SEP 21 1993

DIVISION OF  
OIL, GAS & MINING



**Buddy A. Beach**  
Vice President  
Environmental Affairs

**CONSOL Inc.**  
Consol Plaza  
1800 Washington Road  
Pittsburgh, PA 15241-1421  
412-831-4530  
FAX: 412-831-4916

September 15, 1993

Mr. Daron Haddock  
Utah Department of Natural Resources  
355 W. North Temple  
Three Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Re: Stock Purchase of Island Creek Coal, Inc.

Dear Mr. Haddock:

Effective July 1, 1993, CONSOL Inc. (CONSOL) acquired 100% of the outstanding common stock of Island Creek Coal, Inc. (ICC). By virtue of the stock acquisition, CONSOL also acquired indirectly all of the stock of ICC's subsidiaries including, but not limited to, Island Creek Coal Company. Attached is the closing memorandum describing this transaction.

With the exception of certain new ownership and control information, ICC and its subsidiaries will remain intact. Regarding any and all permit-related documents affected by this transaction, no changes to the existing permittees or permit numbers are planned at this time. As such, the existing performance bonds and certificates of liability insurance remain in full force and effect. The ICC companies are committed to conducting surface coal mining and reclamation operations in full compliance with the Act, the regulatory program, and the terms and conditions of their permits.

Sincerely,

*Buddy A. Beach*  
Buddy A. Beach

BAB3.32:jld

Attachment

**CLOSING MEMORANDUM**  
**GLENN SPRINGS HOLDINGS, INC.**

and

**CONSOL INC.**

and

**CONSOL ENERGY INC.**  
**Acquisition of Outstanding Shares of**  
**Capital Stock of**  
**Island Creek Coal, Inc. and**  
**Its Subsidiaries**

**I. Summary of Transaction**

Pursuant to the Stock Purchase Agreement dated April 14, 1993 ("the Agreement"), between Glenn Springs Holdings, Inc. "Glenn Springs"), CONSOL Inc. ("CONSOL") and CONSOL Energy Inc. ("Energy"), as amended by that certain Assignment ("the Assignment") dated May 1, 1993, from Energy to CONSOL, Glenn Springs sold to CONSOL all the outstanding common stock of Island Creek Coal, Inc., a California corporation ("ICC"). By virtue of the acquisition of the stock, CONSOL also acquired indirectly all the stock of the Subsidiaries of ICC. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Agreement.

The closing of the transactions contemplated by the Agreement (the "Closing") was held at 7:00 P.M. on July 1, 1993 (the "Closing Date"), at the offices of Occidental International

Corporation at 1230 Avenue of the Americas, 16th Floor, in New York, New York. Commencing at 12:01 A.M. on the Closing Date, CONSOL was responsible for all costs and expenses of operating ICC, except for catastrophic loss. Immediately upon the Closing, title to the stock and all risk of loss (including catastrophic loss) associated with such ownership passed to CONSOL. A list of persons attending the Closing is attached hereto as Annex A.

## II. Actions Taken Prior to Closing

1. The Agreement was executed on April 14, 1993. Simultaneously, Glenn Springs, CONSOL and Energy entered into a side letter dated April 14, 1993, pertaining to the coalbed methane assets. The Assignment was executed on May 1, 1993.
2. On April 28, 1993, Glen Springs and CONSOL each filed pre-merger notifications with the Federal Trade Commission and the Department of Justice, as required by the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended. A second request for information was officially made by the Federal Trade Commission on Friday, May 22, 1993. The parties responded formally to the second request on June 10, 1993. CONSOL entered into a consent decree with the Federal Trade Commission, effective as of June 30, 1993, agreeing to divest its interest to be acquired in the Curtis Bay Marine Coal Terminal within one (1) year of the Closing Date.

3. Immediately prior to the Closing, Glenn Springs and CONSOL entered into a Post-Closing Operations Agreement providing for the operation of certain properties after the Closing and certain transition arrangements.
4. Immediately prior to the Closing, Glenn Springs and CONSOL entered into a side letter, providing for the sale to CONSOL of certain ICC assets deemed to be Excluded Assets under the Agreement, and providing for a further amendment to the Agreement on a later date, on the terms and conditions described therein.
5. Immediately prior to the Closing, Glenn Springs and CONSOL entered into an amendment to the Agreement, providing, among other things, for certain conforming changes and revised Sections 1.1(a), 1.1(c) and 3.1 to the Disclosure Statement.

### III. Actions Taken at the Closing

A. Delivery of Documents - All deliveries were deemed simultaneous and in escrow until the Closing was completed.

1. Glenn Springs delivered the following documents to Consol:
  - (a) Certificate of the Vice President or Officer of Glenn Springs pursuant to Section 9.2(iv) of the Agreement.
  - (b) resignations of certain directors and officers of ICC and its subsidiaries.

- (c) certified resolutions of Glenn Springs authorizing the transactions contemplated by the Agreement.
  - (d) Consent of Western Pocahontas Properties to change in control.
  - (e) other documents as required by the Agreement and shown on the Index of Closing Documents attached hereto.
2. Occidental Petroleum Corporation, a Delaware corporation and the indirect parent of Glenn Springs ("OPC"), delivered the following documents:
- (a) Guarantee dated as of the Closing Date, from OPC to CONSOL and the other beneficiaries named therein, guaranteeing indemnification and certain other obligations of Glenn Springs under the Agreement pursuant to Section 8.1(d) thereof (the "OPC Guarantee").
  - (b) Certificate of Assistant Secretary of OPC dated the Closing Date as to the incumbency and authority of the officer of OPC executing the OPC Guarantee.
3. CONSOL delivered the following documents to Glenn Springs:
- (a) Certificate of the Vice President of CONSOL pursuant to Section 9.2(b)(iv) of the Agreement.
  - (b) certified resolutions of the Board of Directors of CONSOL authorizing officers to execute and deliver all necessary documents.

(c) other documents as required by the Agreement and shown on the Index of Closing Documents attached hereto.

4. Energy delivered the following documents to Glenn Springs:

(a) Guarantee dated as of Closing Date from Energy to Glenn Springs and the beneficiaries named therein, guaranteeing certain obligations of CONSOL under the Agreement pursuant to Section 8.2(c) thereof (the "Energy Guarantee").

(b) Certificate of Secretary of Energy dated the Closing Date as to the incumbency and authority of the officer of Energy executing the Energy Guarantee.

**B. Other Actions at the Closing**

1. Glenn Springs delivered to CONSOL Certificate No. 2 for 1,000 shares of the capital stock of ICC together with separate stock power executed by Glenn Springs, and satisfactory evidence of payment of New York State Stock Transfer Taxes.

2. CONSOL caused to be deposited in Glenn Spring's designated account bearing Account No. 184-2955 at Mellon Bank, N.A., Pittsburgh, Pennsylvania, by federal reserve wire transfer in immediately available funds, the sum of |

3. A cross-receipt between Glenn Springs and CONSOL with regard to the delivery of stock and receipt of payment therefor was executed and delivered.

C. Post-Closing Actions

1. ICC will deliver its guarantee of CONSOL's obligations under Section 2.5 of the Agreement pursuant to Section 14.1 thereof.
2. ICC will deliver the Safe Harbor Lease Consents required by Section 11.9 of the Agreement.

APPROVED:

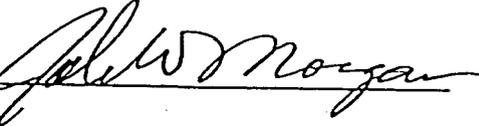
CONSOL INC.

SPS

By

  
\_\_\_\_\_  
GLENN SPRINGS HOLDINGS, INC.

By

  
\_\_\_\_\_  
GLENN SPRINGS HOLDINGS, INC.

## INDEX OF CLOSING DOCUMENTS

### Closing Memorandum

#### Glenn Springs to Consol:

1. Stock certificate representing all of the ICC Shares, duly endorsed in blank or accompanied by duly executed stock powers, together with satisfactory evidence of the payment of any applicable taxes or similar charges.
2. Copies of certified resolutions of the Board of Directors of Glenn Springs authorizing execution, delivery and performance of this Agreement and each of the other ancillary agreements referred to herein to which Glenn Springs is a party, together with an incumbency certificate for the appropriate officers of Glenn Springs, certified by an Assistant Secretary of Glenn Springs.
3. A certificate executed by a responsible officer of Glenn Springs certifying that Glenn Springs representations and warranties are true and correct in all material respects as of the Closing Date, as provided in Section 8.1(a) and that Glenn Springs has performed and complied with all of its covenants in all material respects through the Closing, as provided in Section 8.1(b).
4. The resignations of certain directors and officers of ICC and the Subsidiaries, as provided in Section 8.1(c).
5. An executed counterpart of the OPC Guarantee.
6. Copies of certified resolutions of the Board of Directors of OPC authorizing execution, delivery and performance of the OPC Guarantee, together with an incumbency certificate for the appropriate officers of OPC, certified by an Assistant Secretary of OPC.
7. Consent of Western Pocahontas Properties Partnership to the change of control of ICC.
8. Certificate of an ICC officer as to certain real property Asset sales.
9. Cross-Receipt.

10. Non-foreign Affidavit of Glenn Springs pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended.

#### CONSOL TO GLENN SPRINGS:

1. Immediately available funds in the amount of the Estimated Initial Payment, as provided in Section 2.2 of the Agreement.
2. Copies of certified resolutions of the Board of Directors of CONSOL authorizing execution, delivery and performance of this Agreement and each of the other ancillary documents referred to herein to which CONSOL is a party, together with an incumbency certificate for the appropriate officers of CONSOL certified by the Secretary or an Assistant Secretary of CONSOL.
3. A certificate executed by a responsible officer of CONSOL certifying that CONSOL's representations and warranties are true and correct in all material respects as of the Closing Date, as provided in Section 8.2(a) of the Agreement and that CONSOL has performed and complied with all of its covenants in all material respects through the Closing, as provided in Section 8.2(b) of the Agreement.
4. Energy Guarantee duly executed, as required by Section 8.2 of the Agreement.
5. Copies of certified resolutions of the Board of Directors of Energy authorizing execution, delivery and performance of Energy, together with an incumbency certificate for the appropriate officers of Energy, certified by the Secretary or an Assistant Secretary of Energy.
6. Satisfactory evidence of a consent decree between CONSOL and the Federal Trade Commission, approving on certain conditions the consummation of the transactions set forth in the Agreement.
7. Cross-Receipt.

ANNEX A

PERSONS ATTENDING THE CLOSING

*FOR GLENN SPRINGS:*

Jo Ellen Drisko  
Scott A. King  
John W. Morgan  
Linda S. Peterson

*FOR CONSOL:*

Ronald J. FlorJancic  
Rick A. Harrington  
Samuel P. Skeen

a:\opc\close