
**Cottonwood Mine
C/015/019
Deer Creek Mine
C/015/018
Des-Bee-Dove Mine
C/015/017**

Volume 9 Hydrologic Section

Text Section

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May 30, 2006

Mine # C/015/0018
File Thompson
Record # 0058
Doc. Date 5-30-06
Recd. Date 6-01-06

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 Water Sample Documentation
- Appendix B UPDES Permit Information
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 Permit #UT-0022896

 Deer Creek Mine
 Permit #UT-0023604

 Des-Bee-Dove Mine
 Permit #UTG-040022
- Appendix C Cottonwood Canyon Creek Hydrogeologic Investigation
- Appendix D Rilda Canyon - North Emery Water Users/Huntington Cleveland Irrigation
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 Little Bear Spring - Castle Valley Special Service District/Huntington
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**Cottonwood Mine
C/015/019
Deer Creek Mine
C/015/018
Des-Bee-Dove Mine
C/015/017**

Volume 9 Hydrologic Section

Appendices

**Replace Appendix D
Entire Section**

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May 30, 2006

Volume 9 Hydrologic Section

Appendix D

Rilda Canyon Mitigation Agreements

WATER TREATMENT PLANT AGREEMENT

THIS WATER TREATMENT PLANT AGREEMENT ("Agreement") made and entered into this 22nd day of March, 1994, by and between North Emery Water Users Association, a Utah non-profit corporation, having an address c/o Menco Copinga, Elmo, Utah 84521 ("North Emery"), and PacifiCorp, an Oregon corporation ("PacifiCorp"), having an address c/o Energy West Mining Company, P.O. Box 310, Huntington, Utah 84528 ("Energy West").

RECITALS:

WHEREAS, North Emery is a Utah non-profit corporation organized for the purpose of owning water shares and administering the distribution thereof to its members, and

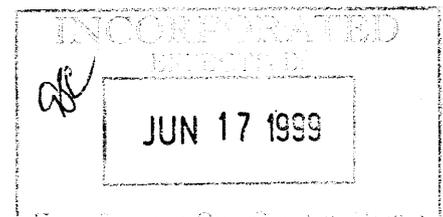
WHEREAS, PacifiCorp conducts coal mining operations in the State of Utah by and through its wholly-owned subsidiary Energy West, and

WHEREAS, North Emery and PacifiCorp are desirous of entering into an agreement whereby the parties will agree as to the mitigation measures to be undertaken by Energy West in the event that Energy West's coal mining operations have an impact on the quality and/or quantity of the water naturally emanating from the Rilda Canyon Springs, Emery County, Utah.

WITNESSETH:

NOW THEREFORE, for and in consideration of the premises, the mutual covenants and agreements of the parties hereto, and the consideration in favor of North Emery described below, the parties hereto agree as follows:

SLC1-5822.5



1. Definitions. The following definitions shall apply to this Agreement:

"North Emery Water" shall mean any and all water and/or water rights as to which North Emery has an interest of any kind whether by ownership, lease or otherwise including, but not limited to, shares of stock in the Huntington-Cleveland Irrigation Company.

"PacifiCorp Water Rights" shall mean any and all water and/or water rights as to which PacifiCorp has an interest of any kind whether by ownership, lease or otherwise.

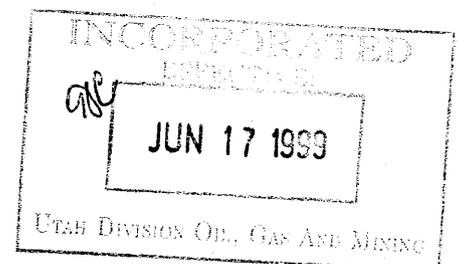
"Plant Site" shall mean the interests in real property more particularly described as follows:

Property Description

Beginning at a point which is N 52°10'09" E, 1212.11 feet from the Southwest corner of the Southwest quarter of the Northwest quarter of Section 36, T. 16 S., R. 7 E., SLM; Thence S 76°00' W, 23.00 feet; Thence S 14°00' E, 90.00 feet; Thence S 76°00' W, 195.50 feet; Thence S 14°00' E, 290.00 feet; Thence N 76°00' E, 330.00 feet; Thence N 14°00' W, 290.00 feet; Thence S 76°00' W, 50.00 feet; Thence N 14°00' W, 90.00 feet; Thence S 76°00' W, 61.50 feet more or less to the point of beginning.

Containing 2.37 acres m/l.

Basis of Bearing: N 0°00'00" W between the West quarter corner and the Northwest corner of Section 36, T. 16 S., R. 7 E., SLM.



Roadway Easement Description

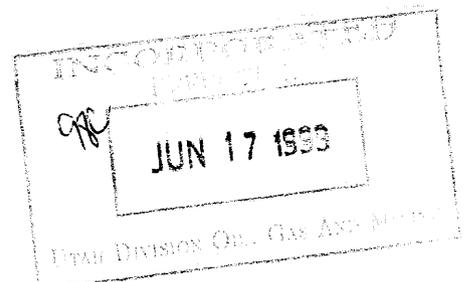
A strip of land 41.0 feet wide, 23.0 feet on the left side and 18.0 feet on the right side of the following described centerline.

Beginning at a point which is N 52°10'09" E, 1212.11 feet from the Southwest corner of the Southwest quarter of the Northwest quarter of Section 36, T. 16 S., R. 7 E., SLM; Thence N 14°00' W, 49.00 feet to the beginning of the circular curve to the right having a radius of 50.0 feet and an arc length of 43.64 feet; Thence Northerly, 43.64 feet along said curve (chord bears N 10°59'52" E, 42.26 feet); Thence N 44°57'51" W, 53.87 feet to the beginning of a circular curve to the right having a radius of 40.0 feet and an arc length of 62.83 feet; Thence Northerly, 62.83 feet along said curve (chord bears N 00°02'09" E, 56.57 feet); Thence N 45°02'09" E, 211.81 feet more or less to the Southerly right-of-way of Utah Highway 31.

Basis of Bearing: N 0°00'00" W between the West quarter corner and the Northwest corner of Section 36, T. 16 S., R. 7 E., SLM.

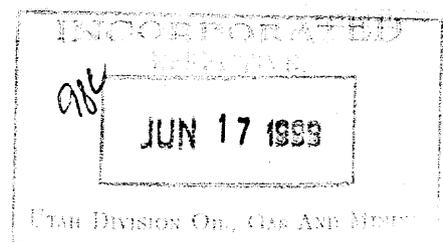
"Special Warranty Deed" shall mean the instrument of conveyance by which the Plant Site will be conveyed from PacifiCorp to North Emery which shall be substantially similar to the form of Special Warranty Deed attached hereto as Exhibit "A".

"Water Treatment Plant" shall mean the "Water Treatment Facility - Slow Sand Filter" to be constructed pursuant to this Agreement, as more particularly described in those certain Bidding and Contract Documents prepared by Hansen Allen & Luce, Inc., a copy of which is attached hereto as Exhibit "B" and by this reference made a part hereof.



2. Consideration and Release. North Emery agrees that PacifiCorp's performance of the terms and conditions of this Agreement shall constitute the full and complete consideration for the full release, and discharge of PacifiCorp, Energy West and any or all of its (or their) officers, directors, shareholders, parent or affiliated corporations, agents, attorneys, and assigns, and all other persons, firms, and corporations whomsoever of and from any and all actions, claims, demands, damages, costs, expenses and compensation on account of or in any way growing out of any and all known and unknown claims which North Emery, and any claiming by, through or under it may now have or may hereafter have resulting from, arising out of, or in any way connected to impacts, on the quantity and/or quality of the North Emery Water from the Rilda Canyon Springs as a result of or in any way related to the mining operations of PacifiCorp, or Energy West.

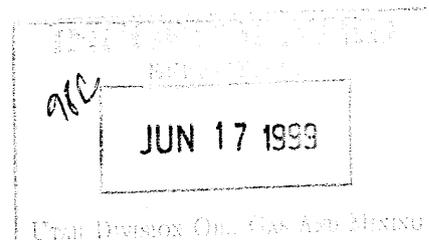
3. Permitting. North Emery agrees that upon execution of this Agreement and so long as North Emery has sufficient quantity and quality of water from the Rilda Canyon Springs, at all times in the future, its comments to the various regulatory agencies regarding PacifiCorp's Deer Creek Mine permit application package and all similar or related permitting activities, addressing mining within the Rilda Canyon area, will reflect the fact that Energy West and North Emery have developed effective mitigation measures, which address potential mining-related impacts to the North Emery Water. The comments may include the status of said mitigation measures. North Emery agrees that PacifiCorp's permit application package may be approved or renewed as necessary so long as PacifiCorp



has fulfilled its obligations under this Agreement. North Emery agrees that it will make a good faith effort to resolve any questions or concerns related to this Agreement or mining operations with Energy West prior to any contacts with a regulatory authority.

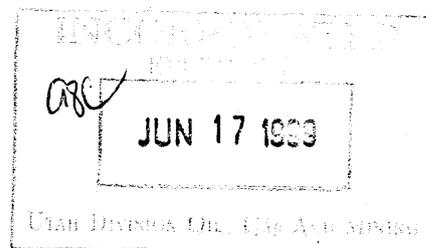
4. Water Treatment Plant. Energy West, on behalf of PacifiCorp, shall construct the Water Treatment Plant to treat North Emery Water. Upon transfer, the Water Treatment Plant may be utilized at any time and from time to time as North Emery shall, in its sole discretion, determine to be appropriate, subject to applicable law.

5. Waters to be Treated. The Water Treatment Plant shall utilize the water from the Rilda Canyon Springs and such other water sources as North Emery may legally utilize in the Water Treatment Plant. Energy West will drill, or has drilled, a well or wells near the Water Treatment Plant to be utilized as an alternative source of water for treatment in the Water Treatment Plant in the event that the Rilda Canyon Springs are impacted by the mining operations of Energy West. Energy West will also continue research on gravity fed systems. The well or wells shall remain in PacifiCorp ownership subject only to the rights of North Emery as set out in this Agreement. Energy West agrees to allow North Emery to utilize said well(s) to supply water to the Water Treatment Plant in emergency situations where water from North Emery sources other than the Rilda Canyon Springs is diminished for reasons that are not caused by mining related impacts from Energy West's activities. Energy West will furnish the electrical power and maintain the well(s),



pump(s) and associated equipment, when the well(s) is (are) used as an alternative source of water due to the impacts on the Rilda Canyon Springs caused by, and during the time of, Energy West's mining operations. North Emery will pay for electrical power, maintain the well(s), pump(s) and associated equipment and pay or cause to be paid all other costs associated with the well(s) at any time or from time to time, if the well(s) is (are) used to provide water in emergency situations to replace North Emery's water sources other than the Rilda Canyon Springs that are not caused by mining related impacts of Energy West.

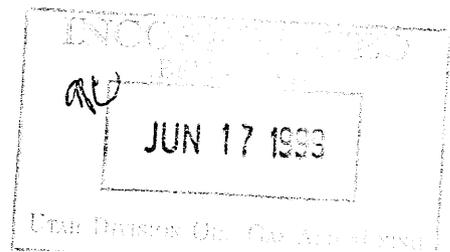
6. Water Monitoring. Within a reasonable time after Energy West breaks through to the surface of Rilda Canyon, it will establish a water monitoring station at the point of discharge of the Rilda Canyon Spring effluent to monitor for hydrocarbon contamination. The monitoring station will only be installed after mining activity breaks through to the surface in Rilda Canyon. In addition, where weather conditions allow, Energy West will monthly monitor the Rilda Canyon Springs for quantity and quality utilizing safe drinking water standards to determine the scope of monitoring. Data from the water monitoring station will be monitored by personnel of Energy West. In the event the sensor at the water monitoring station or the monthly monitoring indicates a concentration level in excess of historical averages and above the allowable drinking water standards, personnel at the mine will notify the designated representative of North Emery within a reasonable time and North Emery may take such action as it determines to be appropriate.



7. Water Treatment Plant - Design, Construction and Completion.

Energy West will assume the responsibility for the construction of the Water Treatment Plant and will provide all funds necessary to complete the construction in accordance with the "Bidding and Contract Documents" contained in Exhibit "B". North Emery and Energy West hereby accept the "Bidding and Contract Documents" as constituting the final engineering and facility design and as being complete and accurate. The parties by their execution of this Agreement acknowledge that the Water Treatment Plant, as designed and to be constructed, is acceptable to both parties with respect to both facility design and operating parameters. Upon completion of the Water Treatment Plant, Energy West will temporarily operate the facility and have it tested to verify that it meets the design criteria contained in the "Bidding and Contract Documents." Upon completion of the necessary testing, North Emery shall provide to Energy West its certificate in the form attached hereto as Exhibit "C" verifying that it concurs that the design criteria previously agreed to by the parties have been satisfied and indicating its willingness to accept conveyance of the Water Treatment Plant in accordance with the terms of this Agreement.

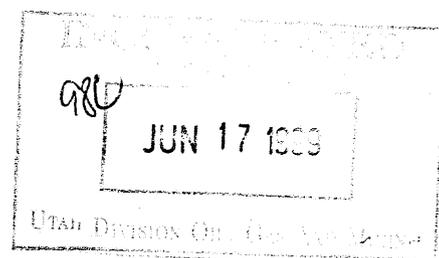
8. Water Treatment Plant Transfer. Upon delivery to Energy West of the Certificate of North Emery referred to above, PacifiCorp shall convey legal title free of liens and encumbrances to the plant site and all associated facilities to North Emery by execution and delivery of the Special Warranty Deed. Upon delivery of the Special Warranty Deed to North Emery, ownership and possession of the Water



Treatment Plant shall pass to North Emery and North Emery shall be responsible for operation and maintenance of the Water Treatment Plant. PacifiCorp and Energy West shall have no obligation with respect to operation and maintenance of the Water Treatment Plant from and after the date of delivery of the Special Warranty Deed, except as provided in Paragraph 9 below.

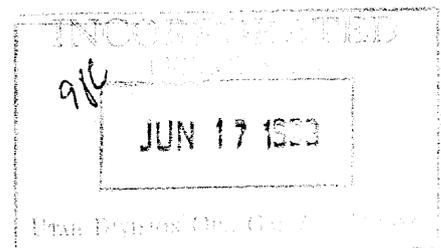
9. Operation and Maintenance Expense. North Emery agrees that it shall be responsible for operation and maintenance of the Water Treatment Plant from and after the date of delivery of the Special Warranty Deed provided for in Paragraph 8 above. At the time of delivery of the Special Warranty Deed, Energy West shall also pay to North Emery, by its check, the lump sum payment of One Hundred Fifteen Thousand Seven Hundred Eighty-Seven Dollars (\$115,787.00). Payment of said amount shall constitute PacifiCorp's and Energy West's full and complete contribution to the operation and maintenance costs of the Water Treatment Plant. Neither PacifiCorp nor Energy West shall have any other obligation to participate in the operation and maintenance of the Water Treatment Plant.

10. Allocation of Liability. The parties agree that all losses, claims, suits or liabilities in any way related to the Water Treatment Plant shall be allocated effective as of the date and time of delivery of the Special Warranty Deed from PacifiCorp to North Emery. Energy West shall therefore indemnify and hold harmless North Emery from and against any and all claims, losses, costs, suits, damages or causes of action including costs and attorneys' fees, for and on account



of injury, bodily or personal, or death of persons, damage to or destruction of property belonging to North Emery, its directors, officers, employees, and agents occurring prior to the delivery of the Special Warranty Deed to North Emery in any way related to this Agreement. Upon delivery of the Special Warranty Deed, North Emery shall indemnify, defend, and hold harmless PacifiCorp and Energy West, their boards of directors, officers, employees, and agents against and from any and all claims, losses, costs, suits, damages or causes of action including costs and attorneys' fees, for and on account of injury, bodily or personal, or death of persons, damage to or destruction of property belonging to PacifiCorp or Energy West, its directors, officers, employees, and agents in any way related to this Agreement. PacifiCorp and/or Energy West shall be responsible for providing insurance for the Water Treatment Plant until the date of delivery of the Special Warranty Deed and North Emery shall be responsible for providing insurance for the Water Treatment Plant from and after the date of delivery of the Special Warranty Deed.

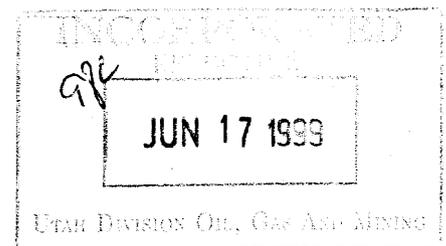
11. Construction Warranties. In connection with the construction of the Water Treatment Plant, Energy West will obtain the warranties and representations more fully set out in the "Bidding and Contract Documents" attached hereto as Exhibit "B". The Special Warranty Deed also contains an assignment to North Emery of all of the rights Energy West may have with respect to such warranties and representations. The parties agree that the representations and warranties contained in the "Bidding and Contract Documents" are adequate for the purposes of this



Agreement and Energy West shall be under no obligation to obtain additional or further warranties and representations from the parties constructing the Water Treatment Plant.

12. Water Rights. The waters treated in the Water Treatment Plant shall be waters owned by North Emery. North Emery shall be solely responsible to ensure that North Emery has adequate water rights for use in connection with the Water Treatment Plant. North Emery shall take such action as is necessary in accordance with the laws of the State of Utah to ensure that the North Emery Water may be utilized in connection with the terms of this Agreement. Energy West will assist and bear the expense to North Emery for such filings with the State Engineer's Office as may be necessary to accommodate the terms and conditions of this Agreement. The PacifiCorp Water Rights shall not be utilized in any way in connection with the performance of this Agreement (except as needed during periods of construction) and, except as provided herein, Energy West shall be under no obligation or duty to supply water or water rights in connection with the operation and maintenance of the Water Treatment Plant.

13. Water Quantity. For the purposes of this Agreement and in order to determine those instances in which the mining operations of Energy West have impacted the flow of the Rilda Canyon Springs, Energy West has contracted with Hansen, Allen & Luce, Inc. for the purposes of establishing methodologies by which one may predict the quantity of water to be discharged by the Rilda Canyon Springs. Attached to this Agreement as Exhibit "D" is a report dated January 27, 1994 entitled

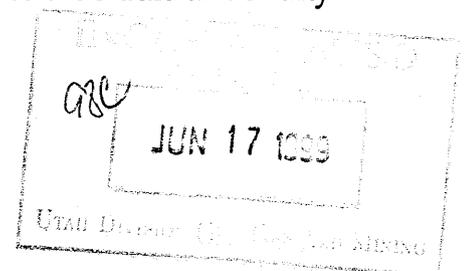


"Flow Impact Evaluation for Rilda Springs. Project: 087.03.250." The parties agree that the parameters set forth in said report shall be utilized in establishing predicted water quantities to be expected to be discharged from the Rilda Canyon Springs. The parties also agree to accumulate such additional data as may be necessary to more accurately predict the quantity of water to be discharged and the standard deviation to be utilized in predicting annual flows. For all periods during which actual discharge from the Rilda Canyon Springs falls within the standard deviation of predicted flows contained in said report, it shall be deemed that mining activities have had no impact on the quantity of water flowing from the Rilda Canyon Springs.

14. Representations and Warranties. With respect to this Agreement, the parties hereby represent and warrant to each other as follows:

a. That there are no outstanding conveyances, assignments or agreements granting preferential rights in the North Emery Water subject to this Agreement in anyone claiming by, through or under the party making this Agreement.

b. That each party has all of the rights and powers required to enable it to enter into this Agreement and perform the covenants and obligations on its part to be kept and performed hereunder; that the execution and delivery of this Agreement and the performance of the covenants and obligations to be kept and performed hereunder are not contrary to and do not constitute a default under any



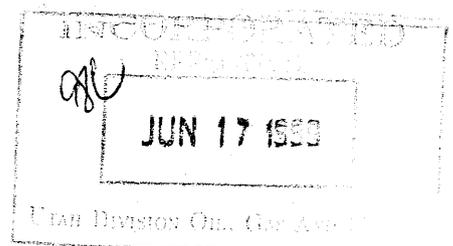
agreement, either oral or written, to which the party executing this Agreement is a party or by which it is bound.

c. That there are no unpaid taxes or assessments against the North Emery Water which are now due and payable and there will be no unpaid taxes or assessments due and payable at the time of any subsequent action provided for herein.

d. That the parties making this Agreement have not violated any federal, state or local law, statute, regulations, rule or order applicable to the subject matter of this Agreement and that the parties making this Agreement have complied in all material respects with all applicable federal, state and local laws, statutes, regulations, rules and orders relating to this Agreement.

The above-described representations and warranties shall be applicable at the time of the execution of this Agreement and shall also be applicable at the time of delivery of the Special Warranty Deed.

15. Taxes and Rentals. All rentals, taxes, assessments and levies, accrued or due prior to the date of delivery of the Special Warranty Deed shall be paid by PacifiCorp and prorated as of the date of delivery and possession. All subsequent rentals, taxes, assessments and levies shall be paid by North Emery. Subsequent to the date of this Agreement or the date of any subsequent transfer of title, if either party receives any rental or tax notices for lands which have been assigned to the other party, the party receiving such notices will promptly forward such notices to the other party.



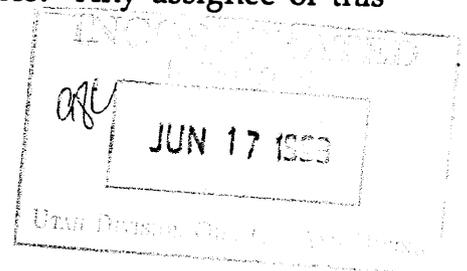
16. If, at the conclusion of Energy West's activities and because of those activities the flows of the Rilda Canyon Springs have not returned to historic levels or if contaminants in the water from the Rilda Canyon Springs make that water unsuitable for use by North Emery, then PacifiCorp shall take such action as is required at that time to comply with all applicable laws and regulations regarding the replacement and/or restoration of water supplies affected by mining related activities.

17. Both parties recognize that North Emery is only a shareholder in Huntington-Cleveland Irrigation Company, and that all water rights utilized by North Emery are owned by Huntington-Cleveland Irrigation Company. Nothing in this Agreement shall be construed as modifying, waiving, or affecting in any way the rights of Huntington-Cleveland Irrigation Company.

18. PacifiCorp agrees to indemnify and hold harmless North Emery from any claim, demand, damage, cost, or liability which may arise out of the acts of PacifiCorp or Energy West in connection with their mining activity affecting the Plant Site or the North Emery Water.

19. Survival. Each and every representation, warranty, covenant and agreement of the parties contained in this Agreement shall survive the completion of the transactions contemplated by this Agreement to take place on the date of this Agreement or subsequent thereto.

20. Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, legal representatives and assigns of the parties. Any assignee of this



Agreement, by accepting such assignment, agrees to be bound by all the terms, covenants and conditions of this Agreement or such assignment shall be void and of no effect.

21. Notices. Any notice given under this Agreement shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested. If notice is given by mail, it shall be deemed received seventy-two (72) hours following the time of deposit to the United States mail as evidenced by the postmark on such notice, and such time shall be the effective time of the notice for the purpose of commuting any time periods provided herein. Any such notice shall be delivered or mailed to the following addresses:

If to North Emery:

North Emery Water Users Association
c/o Menco Copinga
Elmo, Utah 84521

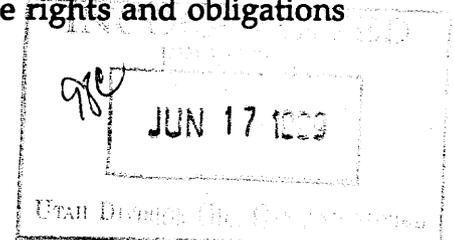
If to PacifiCorp:

PacifiCorp
c/o Energy West Mining Company
Attn: Dan Baker, Vice President and General Manager
P.O. Box 310
Huntington, Utah 84528

Any party may, by the giving of written notice as provided hereunder, change the address to which notices given hereunder are to be directed.

22. Miscellaneous.

a. This Agreement and all other instruments executed in furtherance of the transactions contemplated hereby and the rights and obligations



of the parties hereunder and under such other instruments shall be governed in accordance with the laws of the State of Utah.

b. The invalidity or unenforceability of any portion or provisions of this Agreement shall in no way affect the validity or enforceability of any other portion or provision of this Agreement.

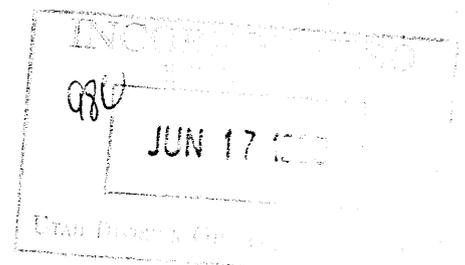
c. This Agreement may not be amended or modified in any respect except by written agreement signed by a duly authorized representative of each of the parties.

d. With respect to the subject matter hereof, this Agreement supersedes all previous negotiations, understandings and agreements, whether written or oral, between the parties or their representatives and constitutes the entire agreement of the parties.

e. The captions preceding each paragraph of this Agreement are utilized for the convenience of the parties, but the captions shall not be used to modify, change or interpret the substantive content of this Agreement.

f. The waiver by either party of a breach of any term or condition in this Agreement shall not be deemed a waiver of any further breach of said term and condition, nor shall such a waiver constitute or affect any other term or condition. Any waiver must be in writing signed by the party against whom such waiver is asserted.

g. Either party may, with the consent of the other which shall not unreasonably be withheld, assign its interests, rights and obligations hereunder



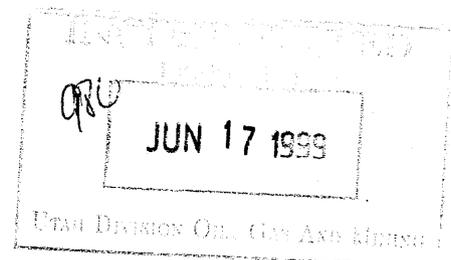
to a successor in interest to the business operated by the party in connection with this Agreement, but in doing so the assignee under such an assignment shall, in writing, expressly assume all obligations hereunder of the assigning party, and the assigning party shall not be relieved of such interests, rights and obligations until the non-assigning party has been furnished with a signed copy of such assumption.

23. Approvals. This Agreement shall not be binding on North Emery until such time as it has been approved by the stockholders of North Emery. North Emery shall give PacifiCorp written notice of such approval. This Agreement, including, but not limited to, the obligation to convey the Water Treatment Plant and the Plant Site to North Emery shall not be binding on PacifiCorp until such time as any required approvals have been obtained from the Board of Directors of PacifiCorp. PacifiCorp shall not be obligated to deliver the Special Warranty Deed until either any and all indentures and/or security interests encumbering the Plant Site have been released or North Emery agrees to accept delivery of a Special Warranty Deed which is subject to such security interests. PacifiCorp shall give North Emery written notice of such approvals and releases.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

NORTH EMERY WATER USERS
ASSOCIATION

By: Mona Gorman
Its: Pre.



ACCEPTED AND AGREED TO this 30th day of March, 1994.

ENERGY WEST MINING COMPANY

By: _____

Its: _____

[Handwritten Signature]
President

RECORDED
930
JUN 17 1993
Utah Division Oil, Gas and Mining

2-49-7

236

WHEN RECORDED, RETURN OR MAIL TO:

Scott M. Child
PacifiCorp, c/o Interwest Mining Company
One Utah Center, Suite 2000
201 South Main Street
Salt Lake City, Utah 84140-0020

341154
JAN 10 3 33 PM '93
Scott M Child
236-238
Ryker Purvey

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made by PACIFICORP, an Oregon Corporation, dba Utah Power & Light Company (successor in interest by merger to Utah Power & Light Company, a Utah Corporation), GRANTOR, whose address is 201 South Main Street, Suite 2300, Salt Lake City, Utah 84140. GRANTOR hereby conveys and warrants the right, title and interest herein conveyed against its acts and the acts of any persons claiming by, through or under it, but not otherwise, to NORTH EMERY WATER USERS ASSOCIATION, a Utah non-profit corporation, its successors and assigns, GRANTEE, whose address is c/o Menco Copinga, Elmo, Utah 84521, for the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the following described real property located in Emery County, Utah.

Property Description

The following real property situated in the Southwest quarter of the Northwest quarter of Section 36, Township 16 South, Range 7 East, SLM, Emery County, Utah, more particularly described as follows:

Beginning at a point which is N 52°10'09" E, 1211.11 feet from the Southwest corner of the Southwest quarter of the Northwest quarter of Section 36, T. 16 S., R. 7 E., SLM; Thence S 76°00' W, 23.00 feet; Thence S 14°00' E, 90.00 feet; Thence S 76°00' W, 195.50 feet; Thence S 14°00' E, 290.00 feet; Thence N 76°00' E, 330.00 feet; Thence N 14°00' W, 290.00 feet; Thence S 76°00' W, 50.00 feet; Thence N 14°00' W, 90.00 feet; Thence S 76°00' W, 61.50 feet more or less to the point of beginning, containing 2.37 acres, more or less.

Basis of Bearing: N 0°00'00" W between the West quarter corner and the Northwest corner of Section 36, T. 16 S., R 7 E., SLM.

Together with a non-exclusive, perpetual roadway easement for purposes of ingress and egress over and across the following described real property located in Emery County, Utah:

986
JUN 17 1993
Emery County, Utah

Special Warranty Deed
 PacifiCorp dba Utah Power & Light Company - Grantor
 North Emery Water Users Association - Grantee
 Page 2

Roadway Easement Description

A strip of land 41.0 feet wide, 23.0 feet on the left side and 18.0 feet on the right side of the following described line situated in the Southwest quarter of the Northwest quarter of Section 36, Township 16 South, Range 7 East, SLM:

Beginning at a point which is N 52°10'09" E, 1211.11 feet from the Southwest corner of the Southwest quarter of the Northwest quarter of Section 36, T. 16 S., R. 7 E., SLM; Thence N 14°00' W, 49.00 feet to the beginning of the circular curve to the right having a radius of 50.0 feet and an arc length of 43.64 feet; Thence Northerly, 43.64 feet along said curve (chord bears N 10°59'52" E, 42.26 feet); Thence N 44°57'51" W, 53.87 feet to the beginning of a circular curve to the right having a radius of 40.0 feet and an arc length of 62.83 feet; Thence Northerly, 62.83 feet along said curve (chord bears N 00°02'09" E, 56.57 feet); Thence N 45°02'09" E, 211.81 feet more or less to the Southerly right-of-way of Utah Highway 31.

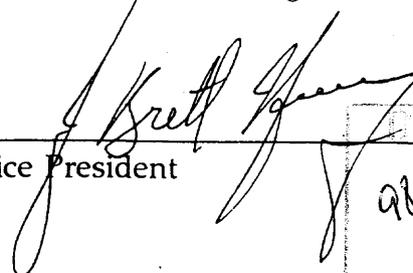
Basis of Bearing: N 0°00'00" W between the West quarter corner and the Northwest corner of Section 36, T. 16 S., R 7 E., SLM.

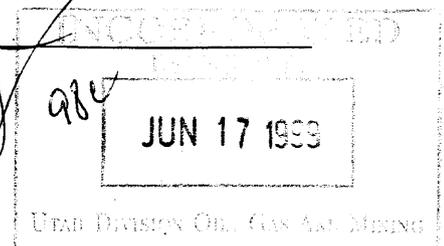
GRANTOR hereby assigns to GRANTEE all rights and interests in and to the warranties and representations created by or contained in the Bidding and Contract Documents to which GRANTOR is a party relating to the Water Treatment Plant constructed on the above described property and being conveyed hereby.

The conveyance of said property is subject to PacifiCorp Board approval, release of mortgage, easements, restrictions and rights-of-way currently of record and/or enforceable in law and equity and the general property taxes hereafter.

IN WITNESS WHEREOF, GRANTOR has executed this Special Warranty Deed with easement by and through its duly authorized representatives this 11TH day of OCTOBER, 1995.

PACIFICORP, an Oregon Corporation
 dba Utah Power & Light Company

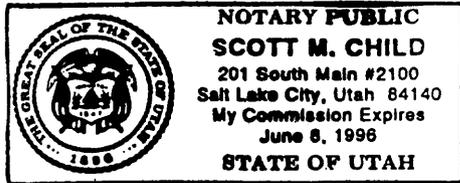

 Vice President



Special Warranty Deed
PacifiCorp dba Utah Power & Light Company - Grantor
North Emery Water Users Association - Grantee
Page 3

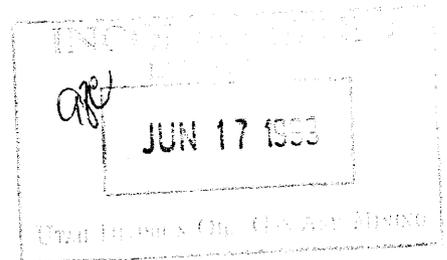
STATE OF UTAH)
) :SS
COUNTY OF SALT LAKE)

On this 11th day of October, 1995, personally appeared before me J. Brett Harvey, who being by me duly sworn did state that he is a Vice President of PacifiCorp, an Oregon Corporation, dba Utah Power & Light Company, and that the within and foregoing instrument was signed by authority of said corporation and said J. Brett Harvey duly acknowledged to me that said corporation executed the same.



Notary Public

Residing in: Salt Lake County, Utah
My Commission Expires: 6-8-96



RECORD AND RETURN TO:

Scott M. Child
PacifiCorp c/o Interwest Mining Company
One Utah Center, Suite 2000
101 South Main
Salt Lake City, UT 84140-0020

239

PARTIAL RELEASE BY
CHEMICAL BANK (AS TRUSTEE)

TO

PACIFICORP

FROM LIEN OF MORTGAGES AND DEEDS OF TRUST

Scott M Child
239-244
220
Before Survey
JAN 10 3 33 PM '95
FILED
COUNTY CLERK
UTAH

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the property or real estate described in Exhibit "A" attached hereto, is subject to the Liens of the following described mortgages:

1. Mortgage and Deed of Trust from PacifiCorp, an Oregon Corporation (successor by merger to Utah Power & Light Company), to Guaranty Trust Company of New York (Chemical Bank, successor) and Arthur E. Burke, et. al. (resigned) as Trustees, dated as of December 1, 1943, as amended and supplemented (the "First Mortgage"), and
2. Mortgage and Deed of Trust from PacifiCorp to Morgan Guaranty Trust Company of New York (Chemical Bank, successor), dated as of January 9, 1989, as amended and supplemented (the "Collateral Mortgage"); and

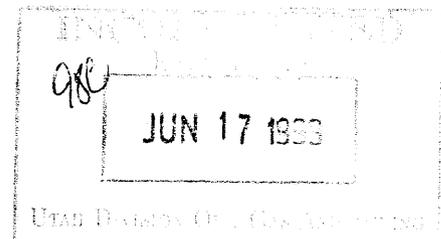
WHEREAS it has been represented to Chemical Bank, Corporate Trustee under the First Mortgage and Trustee under the Collateral Mortgage, that the Company is not in default in the payment of the interest on any bonds now Outstanding under either the First Mortgage or the Collateral Mortgage, and that none of the Defaults defined in Section 75 of the First Mortgage and Section 15.01 of the Collateral Mortgage has occurred and is continuing; and

INCORPORATED
JUN 17 1999
UTAH DIVISION OIL, GAS AND MINING

WHEREAS, pursuant to the provisions of Section 69 of the First Mortgage and 13.09 of the Collateral Mortgage, the Company has requested the Trustee to release the property hereinafter described from the Liens of said Mortgages;

And WHEREAS the Company has furnished Chemical Bank, as Corporate Trustee under the First Mortgage, with (a) Certified Copies of Resolutions of the PacifiCorp Board of Directors, (b) Officers' Certificate, (c) Engineer's Certificate, (d) Further Engineer's Certificate, and (e) Opinion of Counsel, all as required by the provisions of Section 69 of the First Mortgage; and has furnished Chemical Bank, as Trustee under the Collateral Mortgage, with (a) Officers' Certificate, (b) Engineer's Certificate, (c) Opinion of Counsel, and (d) a copy of the release of said property from the Lien of said First Mortgage executed by the Corporate Trustee under the First Mortgage, all as required by the provisions of said Section 13.09 of the Collateral Mortgage.

NOW, THEREFORE, Chemical Bank, in consideration of the premises and pursuant to the authority vested in it as Corporate Trustee under the First Mortgage and as Trustee under the Collateral Mortgage to the date of the recording of this instrument of release, (or to the date hereof if this instrument is not recorded), does hereby release, remise and quitclaim unto the Company, its successors and assigns, all of its right, title, and interest as Trustee under each of said Mortgages, in and to the property situated in Emery County in the State of Utah, more fully described in Exhibit A attached hereto.



TO HAVE AND TO HOLD the property hereby released and remised to the Company, its successors and assigns, to its and their own proper use, benefit, and behoof forever, free, clear and discharged of and from all liens and claims under and by virtue of said Mortgages or either of them.

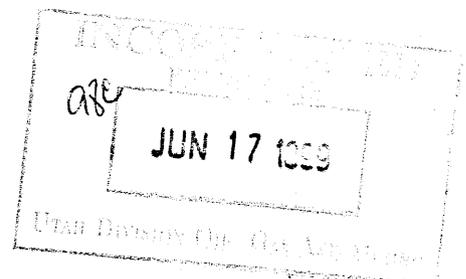
PROVIDED, HOWEVER, that nothing herein contained shall be construed to affect the residue of the security held by Chemical Bank as Trustee under the First Mortgage and the Collateral Mortgage as aforesaid, by virtue of said Mortgages, or to release the payment of any part of the moneys, principal and interest, thereby secured that may now remain unpaid.

The recitals made herein are to be taken only as recitals made by the Company and not by said Trustee. The reservations and exceptions, if any, set forth in said Exhibit A are intended to be for the benefit of said Trustee as well as the Company and the Liens of said Mortgages on the rights and interest so reserved and excepted, if any, are not released.

This release is made by said Trustee without covenants or warranties, either expressed or implied in law or in equity, and shall be without recourse against such Trustee in any event or in any contingency.

IN WITNESS WHEREOF, Chemical Bank, as Corporate Trustee under the First Mortgage and as Trustee under the Collateral Mortgage, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its duly authorized officers, and its corporate seals to be attested by one of its Trust Officers, all in the City of New York, New York, on this 21st of

December 1945



CHEMICAL BANK as Corporate Trustee under Mortgage and Deed of Trust of Utah Power & Light Company (now PacifiCorp), dated as of December 1, 1943

by: 
Assistant Vice President



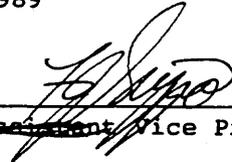
ATTEST:



Trust Officer

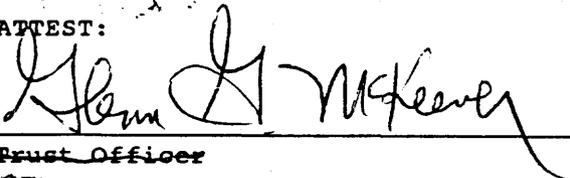
SENIOR TRUST OFFICER

CHEMICAL BANK as Trustee under Mortgage and Deed of Trust of PacifiCorp, dated as of January 9, 1989

by: 
Assistant Vice President

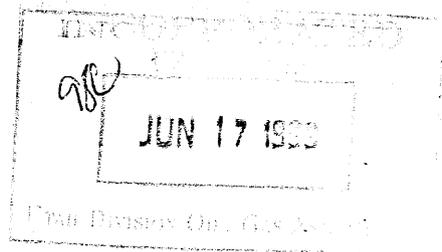


ATTEST:



Trust Officer

SENIOR TRUST OFFICER



STATE OF NEW YORK)
) ss.
County of New York)

On this 21st day of December, 1995 personally appeared
L. L. Grippg, who, being duly sworn, did say that he or she
is a VICE PRESIDENT of Chemical Bank, and that the seal
affixed to the foregoing instrument is the corporate seal of said corporation,
and that said instrument was signed and sealed in behalf of said corporation as
Corporate Trustee, by authority of its Board of Directors; and he or she
acknowledged said instrument to be its voluntary act and deed. Before me:

Emily Layan
Notary Public for the State of New York
My Commission expires: _____

EMILY FAYAN
Notary Public, State of New York
No. 24-4737006
Qualified in Kings County
Commission Expires December 31, 1997

STATE OF NEW YORK)
) ss.
County of New York)

On this 21st day of December, 1995 personally appeared
L. L. Grippg, who, being duly sworn, did say that he or she
is a VICE PRESIDENT of Chemical Bank, and that the seal
affixed to the foregoing instrument is the corporate seal of said corporation,
and that said instrument was signed and sealed in behalf of said corporation as
Trustee, by authority of its Board of Directors; and he or she acknowledged said
instrument to be its voluntary act and deed. Before me:

Emily Layan
Notary Public for the State of New York
My Commission expires: _____

JUN 17 1995
UTAH DIVISION OF REVENUE

EMILY FAYAN
Notary Public, State of New York
No. 24-4737006
Qualified in Kings County
Commission Expires December 31, 1997

County: Emery

State: Utah

Beginning at a point which is North 52° 10' 09" East, 1212.11 feet from the Southwest corner of the Southwest quarter of the Northwest quarter of Section 36, Township 16 South, Range 7 East, S.L.M; thence South 76° 00' West, 23.00 feet; thence South 14° 00' East, 90.00 feet; thence South 76° 00' West, 195.50 feet; thence South 14° 00' East, 290.00 feet; thence North 76° 00' East, 330.00 feet; thence North 14° 00' West, 290.00 feet; thence South 76° 00' West, 50.00 feet; thence North 14° 00' West, 90.00 feet; thence South 76° 00' West, 61.50 feet more or less to the point of beginning. Containing 2.37 acres, more or less.

Basis of bearing: North 0° 00' 00" West between the West quarter corner and the Northwest corner of Section 36, Township 16 South, Range 7 East, S.L.M.

Roadway Easement Description

A strip of land 41.00 feet wide, 23.0 feet on the left side and 18.0 feet on the right side of the following described centerline.

Beginning at a point which is North 52° 10' 09" East, 1212.11 feet from the Southwest corner of the Southwest quarter of the Northwest quarter of Section 36, Township 16 South, Range 7 East, S.L.M; thence North 14° 00' West, 49.00 feet to the beginning of a circular curve to the right having a radius of 50.0 feet and an arc length of 43.64 feet; thence Northerly, 43.64 feet along said curve (chord bears North 10° 59' 52" East, 42.26 feet); thence North 44° 57' 51" West, 53.87 feet to the beginning of a circular curve to the right having a radius of 40.0 feet and an arc length of 62.83 feet; thence Northerly, 62.83 feet along said curve (chord bears North 00° 02' 09" East, 56.57 feet); thence North 45° 02' 09" East, 211.81 feet more or less to the Southerly right-of-way of Utah Highway 31.

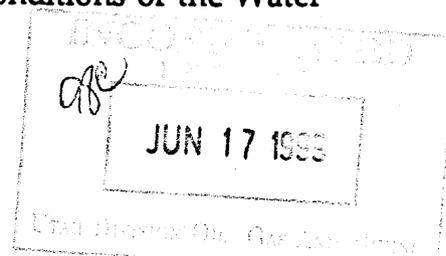
Basis of bearing: North 0° 00' 00" West between the West quarter corner and the Northwest corner of Section 36, Township 16 South, Range 7 East, S.L.M.

EXHIBIT "C"

CERTIFICATE OF OFFICER
NORTH EMERY WATER USERS ASSOCIATION

The undersigned, Mercos Lopez hereby certifies and represents that:

1. I am the Pres. of North Emery Water Users Association, a Utah non-profit corporation (the "Corporation"), and am authorized to make this Certificate in said capacity.
2. Reference is made to that certain Water Treatment Plant Agreement dated March 22, 1994, by and between North Emery Water Users Association, a Utah non-profit corporation, and PacifiCorp, an Oregon corporation. This Certificate is executed for the purpose of satisfying the provisions of Paragraph 7 of said Water Treatment Plant Agreement.
3. I am fully apprised of and am familiar with the Water Treatment Plant referred to in the Water Treatment Plant Agreement and I am familiar with the Bidding and Contract Documents attached thereto as Exhibit "B".
4. I have inspected the Water Treatment Plant constructed by PacifiCorp in satisfaction of the Water Treatment Plant Agreement and I have verified that the design criteria contained in the bidding and contract documents have been satisfied by the existing Water Treatment Plant as constructed.
5. I am authorized to act on behalf of North Emery Water Users Association and I hereby certify that all terms and conditions contained in the Water Treatment Plant Agreement to be accomplished prior to the transfer of the Water Treatment Plant have been satisfied and that North Emery Water Users Association is willing to accept conveyance to it of the Water Treatment Plant in accordance with the terms and conditions of the Water Treatment Plant Agreement.
6. I know of no reason or fact that causes me to believe or should reasonable cause me to believe that PacifiCorp has not fully satisfied the requirements of the design criteria contained in the Bidding and Contract Documents.
7. I know of no reason or fact that causes me to believe or should reasonable cause me to believe that the Water Treatment Plant has not been constructed in full accordance with the terms and conditions of the Water Treatment Plant Agreement.



IN WITNESS WHEREOF, I have executed this Certificate as of the 28th
day of July, ~~1994~~ 1995.

Mena Espinoza, President
By: Amya Gillmore, Secretary
Its: _____

SLC1-6895.1

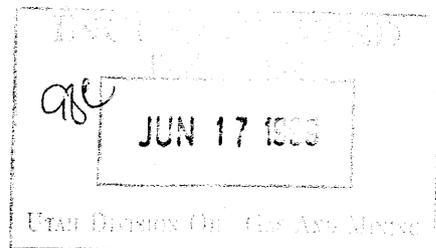




EXHIBIT "D"

SALT LAKE AREA OFFICE
6771 South 900 East
Midvale, Utah 84047
Phone: (801) 566-5599

Mr. Chuck Semborski
Energy West Mining Company
P.O. Box 310
Huntington, 84528

January 27, 1994

RE: Flow Impact Evaluation for Rilda Springs.
Project: 087.03.250.

Dear Chuck:

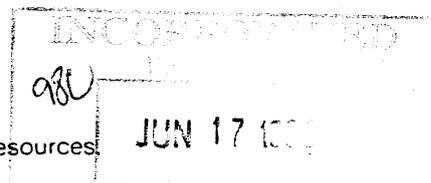
As requested we have reviewed the precipitation versus flow data for the Rilda Canyon Springs for use in an agreement between Energy West Mining and the North Emery Water Users Association. The data you submitted to us for our review has been very helpful and was used directly in our evaluation. We submit the following for your consideration. There does appear to be a fairly significant correlation between annual precipitation on East Mountain and annual Rilda Spring Flows when the precipitation data is analyzed for current, past and two year past precipitation data. Using this methodology we were able to obtain an R² of 0.85 with the annual flow data available. The equation used to predicted average annual flows (as shown on the attached figure entitled "Rilda Canyon Springs - 1.0 Std Dev Confidence Interval") is as follows:

$$Q_i = 5.365P_i + 18.607P_{i-1} + 7.097P_{i-2} - 223.5$$

A figure showing 1.5 standard deviation confidence intervals around predicted or calculated flows is also attached. The standard deviation used in these figures (equal to 42.95) is the Standard deviation of the average annual flows for the complete data sets (ie: years 1976, 1977, 1978, 1981, 1989, 1990, 1991, 1992 and 1993). Complete data printouts developed are attached.

Using the data submitted we were also able to obtain a reasonable representation of flow distribution throughout the year. This distribution was obtained (see attached figures entitled "Rilda Canyon Springs - Unit Curves for Monthly Flows") by averaging normalized monthly flows for all data available except for the years 1977 and 1978. Data for these two years was not used because of their anomalous nature. Once developed, the monthly values obtained were

FILENAME: DEH157CHUCK



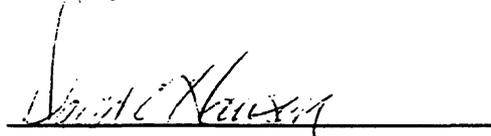
Mr. Chuck Semborski
January 27, 1994
Page 2 of 2

utilized to fill missing data. The attached figure entitled "Rilda Canyon Springs - Actual vs. Predicted Flows" shows monthly variations since 1983 between measured and predicted flows.

Because the overall data sets available for use are relatively short, and hence a test against non used data can not be made, we would recommend that a standard deviation of 1.5 be used as the basis for flow limits or confidence intervals.

We hope this information will provide you with the material needed for your agreement. Should you have any questions, please call.

Sincerely,

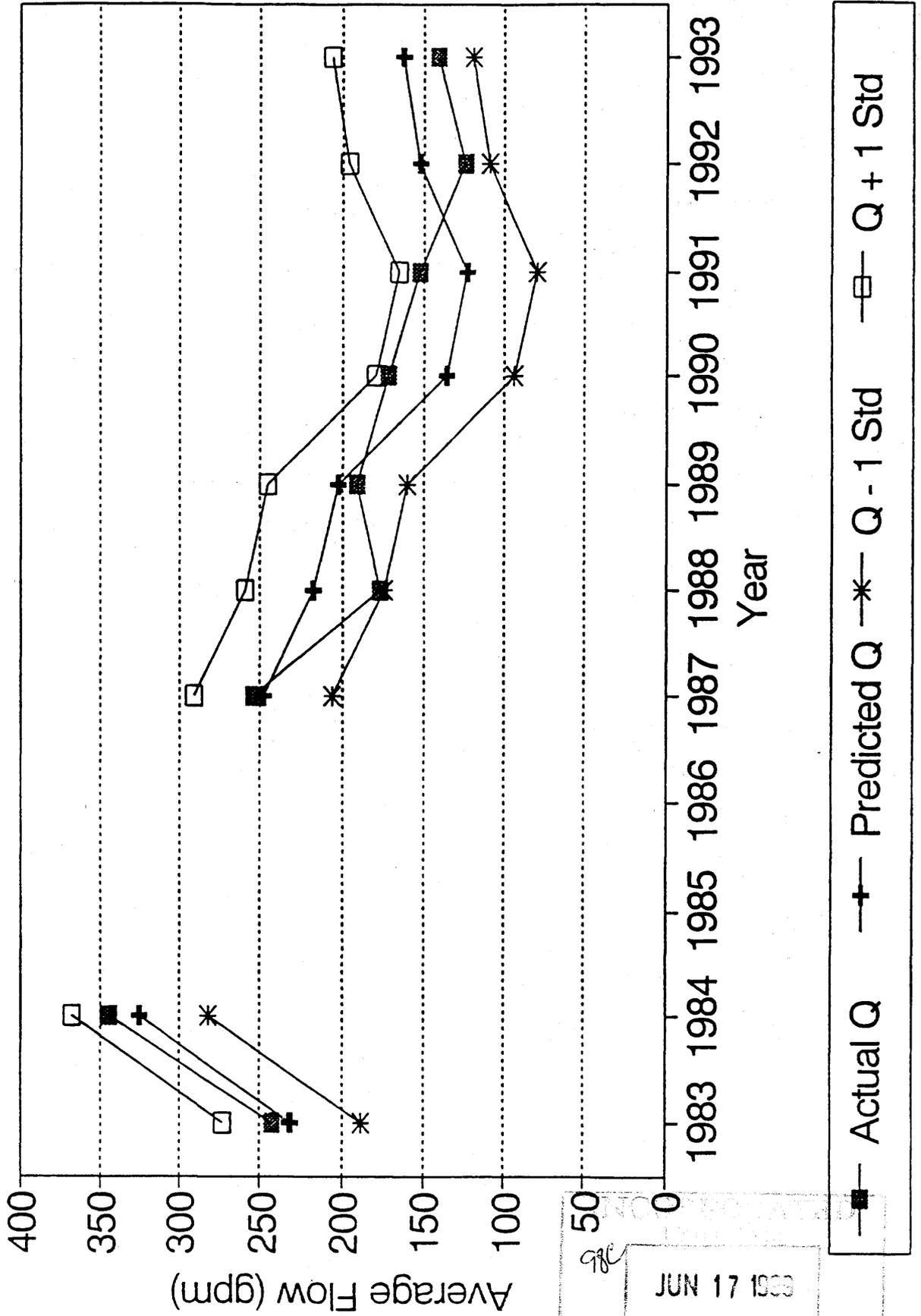


David E. Hansen, Ph.D., P.E.
Project Manager

ENCLOSURE
JUN 17 1993
Utah Division of Water Resources

Rilda Canyon Springs

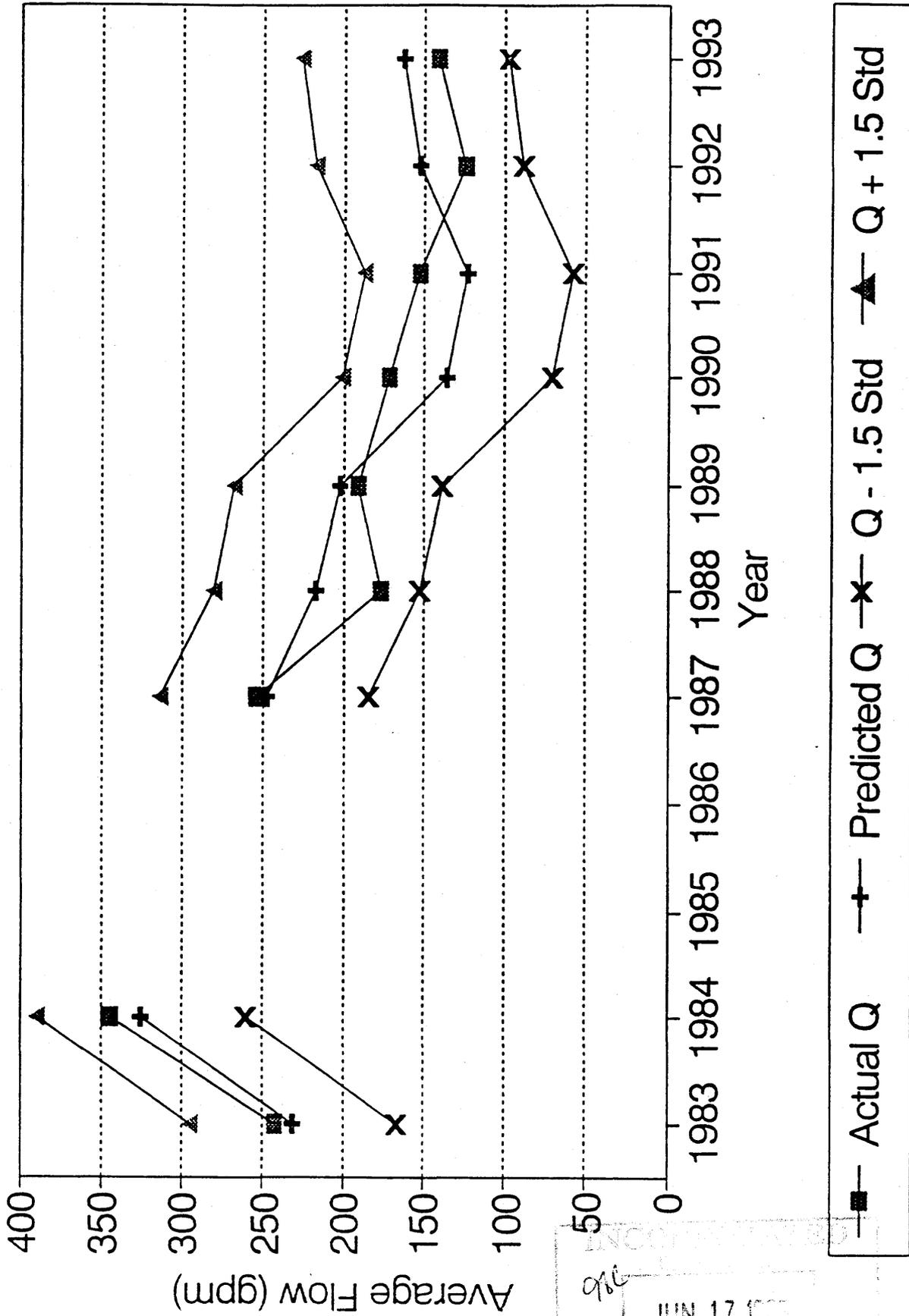
1.0 Std Dev Confidence Interval



gpc
 JUN 17 1993
 Utah Division Oil, Gas and Minerals

Rilda Canyon Springs

1.5 Std Dev Confidence Interval



INCOMPANED
 JUN 17 1993
 9/16

Client: Energy West Mining
 Project: Comparison of Rildia Canyon Spring Flows with Precipitation
 Proj. # - 87.03.250
 Client: Energy West Mining
 Project: Comparison of Rildia Canyon Spring Flows with Precipitation
 Proj. # - 87.03.250

Rildia Canyon Spring Flows - Recorded Flow Data (gpm)

Month	1975	1976	1977	1978	1980	1981	1982	1983	1984	1987	1988	1989	1990	1991	1992	1993	Ave.	Std. Dev.
Jan	100	100	68	50		152	165		205		76	138	118	78	80	51	106.75	47.05
Feb		97	67	47		121	163		210	215	65	140	122	81	72	51	111.62	54.59
Mar		96	65	52		111	162		215	215	65	144	125	80	70	52	103.08	48.31
Apr		81	60	56		101	160		215	230	72	134	130	88	70	68	112.69	55.77
May		177	79	60		104	237			335	175	254	147	148	140	77	153.69	79.28
Jun		275	237	72		299		250		385		298	240	231	280	275	243.00	85.53
Jul		321	276	86		301		289		400		313	340	269	250	260	266.06	88.93
Aug		352	272	92		269		290		415		265	285	278	215	258	254.09	91.01
Sep		342	233	95		222		290		345		201	235	229	120	240	220.67	80.44
Oct		166	151	65		201		262		135	200	150	135	151	73	170	164.29	70.99
Nov		141	99	53		172		250		114	174	130	94	98	65	110	127.50	58.89
Dec		130	75	49		169		250		94	154	122	92	88	55	73	113.21	56.80
Sum:	1904	1796	832	789		2222	887	1591	630	2883	981	2289	2063	1819	1490	1685		
Avg:	236.0	149.7	69.3	65.8		185.2	177.4	265.2	210.0	262.1	122.6	190.8	171.9	151.6	124.2	140.4	162.2	92.0
Std Dev:	88.1	77.2	14.0	17.3		81.3	29.8	17.7	4.1	113.4	54.5	68.9	78.2	75.6	76.4	89.2	60.8	68.8

Rildia Canyon Spring Flows - Complete Data Sets

Month	1976	1977	1978	1981	1989	1990	1991	1992	1993	Ave.	Std.
Jan	100	68	50	152	138	118	78	80	51	92.78	34.66
Feb		97	47	121	140	122	81	72	51	88.67	31.31
Mar		96	52	111	144	125	80	70	52	88.33	30.92
Apr		81	60	101	134	130	88	70	68	87.56	27.14
May		177	79	60	104	147	148	140	77	119.33	58.00
Jun		237	72	74	299	240	231	280	275	222.89	83.60
Jul		276	86	301	313	340	269	250	260	242.56	87.21
Aug		272	92	269	265	285	278	215	258	225.33	73.18
Sep		233	95	222	201	235	229	120	240	185.67	59.28
Oct		151	65	201	150	135	151	73	170	129.00	46.71
Nov		99	53	172	130	94	98	65	110	97.11	36.20
Dec		75	49	169	122	92	88	55	73	85.78	36.84
Sum:	1796	832	789	2222	2289	2063	1819	1490	1685		
Avg:	149.67	69.33	65.75	185.17	190.75	171.92	151.58	124.17	140.42	138.75	42.95

UNIVERSITY OF UTAH
 JUN 17 1993
 UTAH DIVISION OF OIL, GAS AND MINING

Client: Energy West Mining
 Project: Comparison of Rilda Canyon Spring Flows with Precipitation
 Plot #: 87 03 250

Correlation of average flow to precipitation data

Year	Avg Annual Flow	Precip 1 Yr	Precip Lag 2 Yr	Precip Lag 3 Yr	2 yr Lag Predicted Flow	Abs. Diff.	Predicted Q Minus 1 Times Std Dev	Predicted Q Plus 1 Times Std Dev	Predicted Q Minus 1.5 Times Std Dev	Predicted Q Plus 1.5 Times Std Dev
1981	105	10.9								
1982	270	14.57	10.9		230.7	11.7	187.7	273.7	166.3	295.1
1983	242	19.71	14.57	10.9	324.9	19.5	281.9	367.8	280.4	389.3
1984	344	14.58	19.71	14.57						
1985		17.02								
1986		14.92								
1987	254	13.73	14.92	17.02	14.6	5.7	205.6	291.5	184.1	313.0
1988	177	14.62	13.73	14.92	17.0	39.5	173.3	259.2	151.9	280.7
1989	191	10.59	14.62	13.73	14.9	12.0	159.8	245.7	136.4	267.2
1990	172	10.9	10.59	14.62	13.7	36.1	92.8	178.7	71.3	200.2
1991	152	12.69	10.9	10.59	14.6	29.0	79.6	165.5	58.1	187.0
1992	124	11.74	12.69	10.9	10.6	28.8	110.0	195.9	88.5	217.4
1993	140	14.37	11.74	12.69	10.9	21.7	119.1	205.1	97.7	226.5

Regression Output:
 Constant -223.5
 Std Err of Y Est 33.7768
 R Squared 0.85237
 No. of Observations 9
 Degrees of Freedom 5
 X Coefficient(s) 5.365118 18.6067 7.096634
 Std Err of Coef. 4.918322 5.11985 6.166908

current lag 1 lag 2
 year year year

Linear Model with Current Year Precipitation

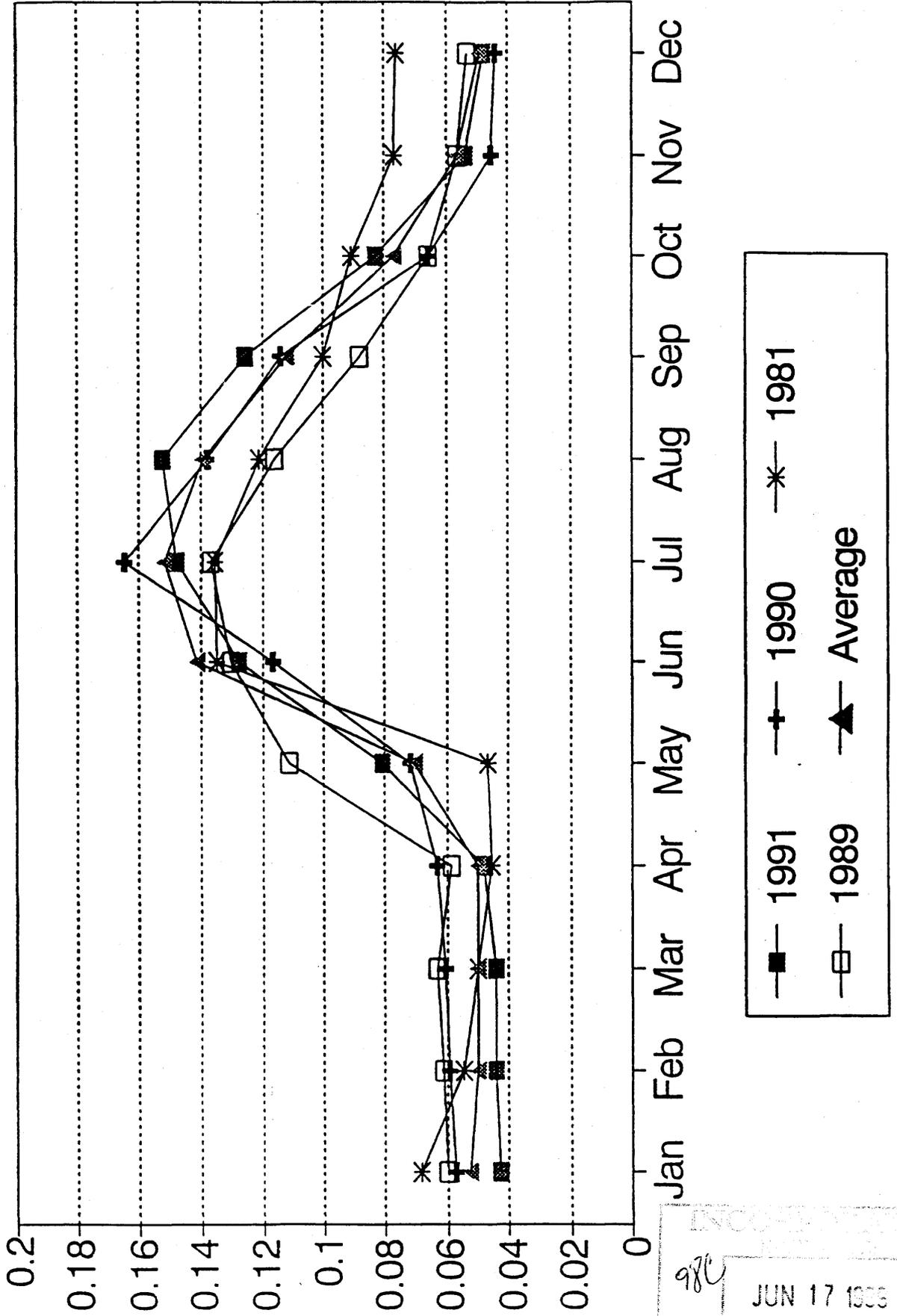
Year	Avg. Flow	Pred. Flow	Abs. Diff.	Opred minus 1.5 std dev
1981	185	10.9	176.8	8.4
1982	270	14.57	216.4	53.9
1983	242	19.71	271.8	29.4
1984	344	14.58	216.5	127.9
1987	254	13.73	207.3	46.9
1988	177	14.62	216.9	40.1
1989	191	10.59	173.5	105.4
1990	172	10.9	176.8	4.9
1991	152	12.69	196.1	44.5
1992	124	11.74	185.9	61.7
1993	140	14.37	214.2	73.8

Regression Output:
 Constant 59.256439
 Std Err of Y Est 62.867135
 R Squared 0.1833494
 No. of Observations 11
 Degrees of Freedom 9
 X Coefficient(s) 10.783254
 Std Err of Coef. 7.5858976

INCORPORATED
 JUN 17 1989
 UTAH DIVISION OF ENERGY MINING

Rilda Canyon Springs

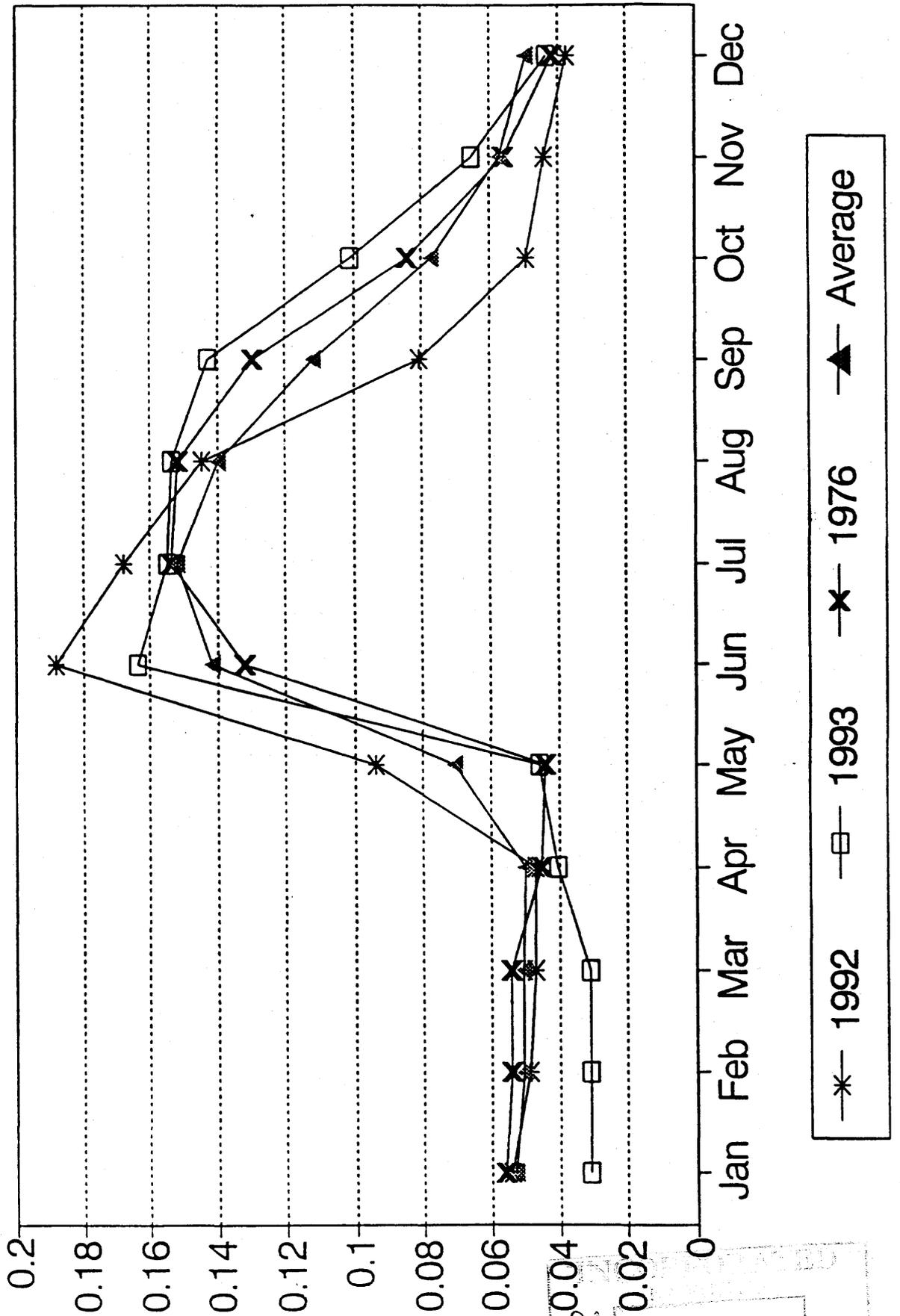
Unit Curves for Monthly Flows



980
 INCORPORATED
 JUN 17 1995
 THE DISTRICT OF COLUMBIA

Rilda Canyon Springs

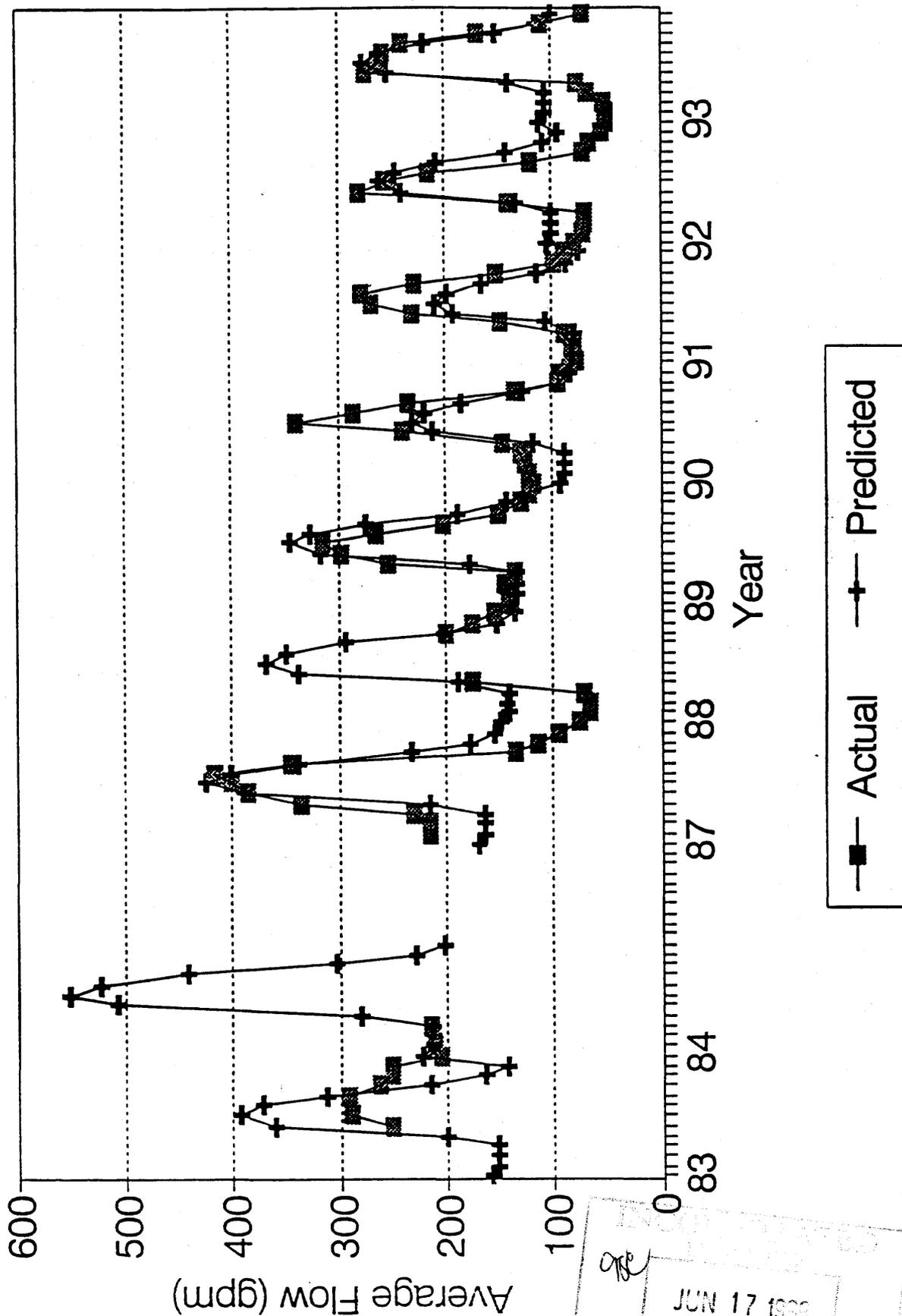
Unit Curves for Monthly Flows



JUN 17 1993

Rilda Canyon Springs

Actual vs. Predicted Flows



INCORPORATED
JUN 17 1993
RSC
EPA REGION 9 OFFICE

AGREEMENT

This agreement is made and entered into as of this 26TH day of JANUARY, 19 95 by and between Energy West and/or PacifiCorp and Huntington Cleveland Irrigation Company.

WHEREAS, Huntington Cleveland Irrigation Company is a non-profit mutual water company authorized by law to supply water to it's stockholders for irrigation, stockwatering, domestic, industrial and other purposes in the communities of Huntington, Cleveland, Elmo and northern Emery County, Utah.

WHEREAS, PacifiCorp has coal leases U-014275, SL-050862, U-7653, U-06039 and U-024319 and are applying for a permit to build surface facilities in the Left Hand Fork of Rilda Canyon.

WHEREAS, PacifiCorp mining or construction in Rilda Canyon area may intercept, plug off, stop or lessen the amount of water flowing out of the North Emery Water Users Association's (NEWUA) Rilda Canyon Springs or the Rilda Canyon streams. PacifiCorp will replace any and all above referenced waters determined to have been lost or adversely affected as a result of PacifiCorp's mining operations if such loss or adverse impact occurs prior to final bond release. The water will be replaced from an alternate source in sufficient quantity and quality to maintain the current uses associated with said water.

PacifiCorp will supply to Huntington Cleveland Irrigation Company a copy of all springs and streams that are monitored in the PacifiCorp mining area.

Huntington Cleveland Irrigation Company will have the right to request records of monitoring systems operated by PacifiCorp as to springs, wells and streams. Huntington Cleveland Irrigation Company will use any of North Emery Water Users Association monitoring systems records and any system which may be installed by Huntington Cleveland Irrigation Company to verify water losses. Determination of losses will be made in accordance with the procedures and formula contained in the existing agreement between NEWUA and PacifiCorp.

During the course of the regular monitoring activities required by the permit of PacifiCorp, Huntington Cleveland Irrigation Company will be advised at once of any loss or adverse occurrences in the flow of springs, streams or wells.

Upon the signing of this agreement by PACIFICORP, HUNTINGTON CLEVELAND IRRIGATION COMPANY will withdraw their protest for construction in Rilda Canyon.

MISCELLANEOUS

A. BINDING EFFECT.

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

B. ATTORNEY'S FEES.

In the event that this Agreement or any provision hereof shall be enforced by an attorney retained by a party hereto, whether by suit or otherwise, the fees and costs of such attorney shall be paid by the party who breaches or defaults hereunder, including fees and costs incurred upon appeal or in bankruptcy court.

C. SEVERABILITY.

If any term or provision of this Agreement shall, to any extent, be determined by a court or competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of the Agreement.

D. CAPTIONS.

The section and paragraph headings contained in this Agreement are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provision hereof.

E. GOVERNING LAW.

This Agreement and all matters relating hereto, shall be governed by, construed and interpreted in accordance with laws of the State of Utah.

F. ENTIRE AGREEMENT.

This Agreement constitutes the entire understanding and agreement by and between the parties hereto, and supersedes all prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof.

G. CONSTRUCTION.

As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

H. WARRANTY OF AUTHORITY.

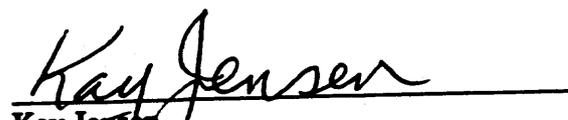
The individuals executing this Agreement on behalf of the parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective parties and that the respective parties have agreed to be and are bound hereby.

I. NOTICES.

All notices required hereunder shall be in writing and shall be deemed to have been sufficiently given or served when presented personally or when deposited in the United States Mail.



Dan Baker
President
Energy West Mining



Kay Jensen
President
Huntington Cleveland Irrigation Co.



PO Box 310
Huntington, Utah 84528

November 3, 2005

Dennis Ward, President
Huntington Cleveland Irrigation Company
71 North Main
Huntington, Utah 84528

RE: Rilda Canyon Water Replacement Commitment

Dear Mr. Ward

This letter is written to reaffirm PacifiCorp's commitment to water replacement in Rilda Canyon as documented in the Agreement signed by both parties on January 26, 1995 (see attachment). PacifiCorp asserts that the Agreement signed in 1995 applies to both the existing facilities in the Left Fork of Rilda Canyon as well as any proposed North Rilda Canyon portal facilities. During the planning of the proposed North Rilda Canyon portal facilities, PacifiCorp has worked closely with all interested parties including Huntington Cleveland Irrigation Company to develop a plan which minimizes potential impacts to the surface and groundwater hydrology, and PacifiCorp will continue to work in this manner. The terms of the referenced Agreement will continue in effect until final bond release is granted by the regulatory agencies following final reclamation of any PacifiCorp facilities in Rilda Canyon.

As discussed during your phone conversation with Chuck Semborski of Energy West Mining Company on November 2, 2005, upon receiving this letter reaffirming PacifiCorp's commitment to water replacement, we respectfully ask that Huntington Cleveland Irrigation Company withdraw its protest to the permitting and construction of the proposed North Rilda Canyon portal facilities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dee W. Jense', is written over a horizontal line.

Dee W. Jense
President

cc: Chuck Semborski
Doug Johnson
Scott Child
Craig Smith

AGREEMENT

This agreement is made and entered into as of this 26TH day of JANUARY, 19 95 by and between Energy West and/or PacifiCorp and Huntington Cleveland Irrigation Company.

WHEREAS, Huntington Cleveland Irrigation Company is a non-profit mutual water company authorized by law to supply water to its stockholders for irrigation, stockwatering, domestic, industrial and other purposes in the communities of Huntington, Cleveland, Elmo and northern Emery County, Utah.

WHEREAS, PacifiCorp has coal leases U-014275, SL-050862, U-7653, U-06039 and U-024319 and are applying for a permit to build surface facilities in the Left Hand Fork of Rilda Canyon.

WHEREAS, PacifiCorp mining or construction in Rilda Canyon area may intercept, plug off, stop or lessen the amount of water flowing out of the North Emery Water Users Association's (NEWUA) Rilda Canyon Springs or the Rilda Canyon streams. PacifiCorp will replace any and all above referenced waters determined to have been lost or adversely affected as a result of PacifiCorp's mining operations if such loss or adverse impact occurs prior to final bond release. The water will be replaced from an alternate source in sufficient quantity and quality to maintain the current uses associated with said water.

PacifiCorp will supply to Huntington Cleveland Irrigation Company a copy of all springs and streams that are monitored in the PacifiCorp mining area.

Huntington Cleveland Irrigation Company will have the right to request records of monitoring systems operated by PacifiCorp as to springs, wells and streams. Huntington Cleveland Irrigation Company will use any of North Emery Water Users Association monitoring systems records and any system which may be installed by Huntington Cleveland Irrigation Company to verify water losses. Determination of losses will be made in accordance with the procedures and formula contained in the existing agreement between NEWUA and PacifiCorp.

During the course of the regular monitoring activities required by the permit of PacifiCorp, Huntington Cleveland Irrigation Company will be advised at once of any loss or adverse occurrences in the flow of springs, streams or wells.

Upon the signing of this agreement by PACIFICORP, HUNTINGTON CLEVELAND IRRIGATION COMPANY will withdraw their protest for construction in Rilda Canyon.

MISCELLANEOUS

A. BINDING EFFECT.

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

B. ATTORNEY'S FEES.

In the event that this Agreement or any provision hereof shall be enforced by an attorney retained by a party hereto, whether by suit or otherwise, the fees and costs of such attorney shall be paid by the party who breaches or defaults hereunder, including fees and costs incurred upon appeal or in bankruptcy court.

C. SEVERABILITY.

If any term or provision of this Agreement shall, to any extent, be determined by a court or competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of the Agreement.

D. CAPTIONS.

The section and paragraph headings contained in this Agreement are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provision hereof.

E. GOVERNING LAW.

This Agreement and all matters relating hereto, shall be governed by, construed and interpreted in accordance with laws of the State of Utah.

F. ENTIRE AGREEMENT.

This Agreement constitutes the entire understanding and agreement by and between the parties hereto, and supersedes all prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof.

G. CONSTRUCTION.

As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

H. WARRANTY OF AUTHORITY.

The individuals executing this Agreement on behalf of the parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective parties and that the respective parties have agreed to be and are bound hereby.

I. NOTICES.

All notices required hereunder shall be in writing and shall be deemed to have been sufficiently given or served when presented personally or when deposited in the United States Mail.



Dan Baker
President
Energy West Mining



Kay Jensen
President
Huntington Cleveland Irrigation Co.

Volume 9 Hydrologic Section

Appendix D

Little Bear Spring Mitigation Agreement

**WATER TREATMENT PLANT AGREEMENT
LITTLE BEAR SPRING, HUNTINGTON CANYON**

THIS WATER TREATMENT PLANT AGREEMENT ("Agreement") made and entered into this 29 day of April, 2004, by and between Castle Valley Special Service District ("CVSSD"), having an address P.O. Box 877, Castle Dale, UT 84513; PacifiCorp, an Oregon corporation ("PacifiCorp"), having an address c/o Energy West Mining Company, P.O. Box 310, Huntington, UT 84528 ("Energy West") and GENWAL Resources, Inc., a Utah corporation, having an address at P.O. Box 1077, Price, Utah 84501 ("GENWAL").

RECITALS

WHEREAS, CVSSD is a political subdivision of the state of Utah organized as a special service district; and

WHEREAS, CVSSD was legally created in 1977 for the purpose of providing water, sewer, drainage and road-related services for the cities and towns of Huntington, Elmo, Cleveland, Castle Dale, Orangeville, Ferron, and Emery, and the town of Clawson was added to CVSSD in 1999; and

WHEREAS, CVSSD has entered into interlocal governmental agreements with the cities of Huntington, Elmo, and Cleveland (the "Cities") whereby CVSSD has assumed responsibility for the operation and maintenance of the culinary and secondary water systems for the Cities including any treatment facilities and transmission facilities; and

WHEREAS, CVSSD and the Cities obtain a substantial portion of their water from a developed spring located in the SW1/4 of Section 9, Township 16 South, Range 7 East, SLB&M known as the Little Bear Spring; and

WHEREAS, CVSSD is authorized by the various interlocal governmental agreements identified above to make and enter into an agreement with the mining companies conducting coal mining operations in the area of the Little Bear Springs regarding the mitigation of any potential impact such mining operations might have upon the Little Bear Spring; and

WHEREAS, Huntington City owns an existing water treatment plant that is operated and maintained by CVSSD.

WHEREAS, CVSSD has entered into an Agreement dated February 5, 2004 with the North Emery Water Users Special Service District, having to do with the construction of enlarged water treatment units which shall not become effective until such time as this Agreement has become effective among the parties; and

WHEREAS, PacifiCorp conducts coal mining operations in the state of Utah by and through its wholly owned subsidiary, Energy West; and

WHEREAS, one of the general permit conditions imposed upon PacifiCorp and Energy West in connection with the permit issued by the state of Utah, Division of Oil, Gas and Mining, is a requirement that PacifiCorp and Energy West enter into an appropriate agreement to mitigate the potential impact mining might have in connection with the Little Bear Spring; and

WHEREAS, GENWAL conducts coal mining operations in the state of Utah in the vicinity of Little Bear Spring on behalf of ANDALEX Resources, Inc. ("ANDALEX") and the Intermountain Power Agency ("IPA") as the co-owners of the Crandall Canyon Project; and

WHEREAS, ANDALEX and IPA have recently acquired a coal lease from the United States of America, acting through the Bureau of Land Management sometimes identified as the "South Crandall Lease" having lease number UTU-78953; and

WHEREAS, Stipulation #17 attached to the South Crandall Lease requires that in order to adequately protect flow from Little Bear Spring, the Lessee must "enter into a written agreement with the Castle Valley Special District ("CVSSD") to assure an uninterrupted supply of culinary water equivalent to historical flows from the Spring"; and

WHEREAS, CVSSD, PacifiCorp and GENWAL are desirous of entering into an Agreement as to the mitigation measures to be undertaken by Energy West and GENWAL in the event that either or both of their coal mining operations have an impact on the quality and/or quantity of the water coming from the Little Bear Spring, Emery County, Utah as more particularly identified in Energy West's permit and GENWAL'S Special Stipulation #17 to the South Crandall Lease.

WITNESSETH:

NOW THEREFORE, for and in consideration of the promises, the mutual covenants and agreements of the parties hereto, and the consideration in favor of CVSSD described below, the parties hereto agree as follows:

1. The "Recitals" as set forth above are an integral part of this Agreement and are incorporated into the body of this Agreement by this reference.
2. Definitions. The following definitions shall apply to this agreement:

"Companies" shall mean PacifiCorp, Energy West, GENWAL, ANDALEX and IPA either individually or collectively as their interests appear.

"CVSSD Water" shall mean any and all water and/or water rights CVSSD administers, maintains, treats and/or distributes for the cities of Huntington, Cleveland and Elmo, whether at the Little Bear Spring, the Huntington Canyon Water Treatment Plant or otherwise.

"GENWAL Water" shall mean any and all water and/or water rights to which GENWAL, ANDALEX and/or IPA have an interest of any kind whether by ownership, lease or otherwise.

"Little Bear Spring" shall mean and have reference to that certain developed spring area located in the SW1/4, Section 9, Township 16 South, Range 7 East, SLB&M.

"PacifiCorp Water" shall mean any and all water and/or water rights to which PacifiCorp and/or Energy West have an interest of any kind whether by ownership, lease or otherwise.

“Plant Site” and/or “Huntington Canyon Water Treatment Plant” shall mean the existing and proposed new addition to the Huntington Canyon Water Treatment Plant owned by Huntington City and operated and maintained by CVSSD, located about four and one-half miles north of Huntington in Section 8, Township 17 South, Range 8 East SLB&M, including the existing structures and facilities together with any and all additions and/or improvement thereto.

“Existing Plant Site” shall mean the Plant Site as it exists on the date of this Agreement.

“Water Treatment Plant” shall mean the new “water treatment facility to be constructed at the Plant Site pursuant to this Agreement, for CVSSD, as more particularly described in the materials prepared by Bowen Collins & Associates as contained in a two volume set labeled “Contract Documents for the Construction of the Huntington Water Treatment Plant.” Volume 1 of 2 is identified as “Specifications” and Volume 2 of 2 is identified as “Drawings.” Said materials are referred to herein as the “Contract Documents.” The Contract Documents are incorporated herein and are made a part of this Agreement by this reference.

3. Consideration and Release. CVSSD agrees that the Companies performance of the terms and conditions of this Agreement shall constitute the full and complete consideration for the full release, and discharge of the Companies and any or all of its (or their) officers, directors, shareholders, parent or affiliated corporations, agents, attorneys, and assigns, and all other persons, firms, and corporations whomsoever of and from any and all actions, claims, demands, damages, costs, expenses and compensation on account of or in any way growing out of any and all known and unknown claims which CVSSD, and any claiming by, through or under it may now have or may hereafter have resulting from, arising out of, or in any way connected to impacts, on the quantity and/or quality of the

CVSSD Water from the Little Bear Spring as a result of or in any way related to the mining operations of the Companies.

4. Permitting and Enforcement. CVSSD agrees that upon execution of this Agreement and so long as CVSSD continues to receive, subject to anticipated seasonal and climatic variations, the quantity and quality of water from the Huntington Canyon drainage area historically experienced at all times in the future, its comments, both written and verbal, to the various regulatory agencies including, but not limited to, the State of Utah Division of Oil, Gas & Mining the Bureau of Land Management, the Office of Surface Mining Reclamation and Enforcement, the United States Forest Service, and the State Engineer of the State of Utah regarding both permitting and enforcement of permits and leases, including but not limited to PacifiCorp's Deer Creek Mine permit application package, the GENWAL Mine permit application package (together with the related Stipulation #17) and all similar or related permits of the Companies, regarding mining within the Mill Fork Canyon area and the Huntington Canyon area, will reflect the fact that PacifiCorp, GENWAL and CVSSD have developed effective mitigation measures, which address potential mining related impacts to the CVSSD Water including, but not limited to, the water of the Little Bear Spring. The comments may include the status of said mitigation measures. CVSSD agrees the Companies permit application packages may be approved or renewed as necessary so long as the Companies have fulfilled their obligations under this Agreement. CVSSD agrees that it will make a good faith effort to resolve any questions or concerns related to this Agreement or mining operations with the Companies prior to any contacts with a regulatory authority.

5. Water Treatment Plant. Energy West and GENWAL, on behalf of the Companies, shall construct, or cause to be constructed, the Water Treatment Plant to treat CVSSD Water. The technical design is included in the Contract Documents. Upon Water Treatment Plant completion, ownership and operation and maintenance of the Water Treatment

Plant will be the responsibility of CVSSD. The final type, design and construction of the Water Treatment Plant will be subject to the advice and approval of CVSSD. CVSSD will provide to Energy West, GENWAL, Bowen Collins & Associates and the contractor ultimately selected to construct the Water Treatment Plant any and all access rights and permissions necessary or convenient for the constructions of the Water Treatment Plant at the Plant Site.

6. Waters to be Treated. The Water Treatment Plant shall utilize water from the Little Bear Spring, Huntington River, other CVSSD Water, and such other water sources as CVSSD may legally utilize in the Water Treatment Plant. The Water Treatment Plant will not utilize PacifiCorp Water or GENWAL Water unless authorized by separate agreement.

This Agreement contemplates that the Cities will transfer water rights in Huntington Cleveland Irrigation Company from one approved diversion point (Little Bear Spring) to another approved diversion point (Water Plant Diversion), both within the Huntington Cleveland Irrigation Company's water right area. In the event that this anticipated transfer is contested or otherwise not approved by Huntington Cleveland Irrigation Company, the Companies agree to provide a sufficient number of their water shares, on a temporary basis, for use by the Cities and District, until the dispute is resolved and a permanent transfer of the Cities water rights is achieved.

7. Water Monitoring. The Companies, after notification to CVSSD, have the right to collect and analyze samples of the Little Bear Spring. Analytical results of all samples obtained by any Party, used for determination of water quality and quantity, will be made available to the other Parties.
8. Water Treatment Plant - Design, Construction and Completion. Energy West and GENWAL will assume the responsibility for the construction of the Water Treatment

Plant and the Companies, by separate agreement among them will provide all funds necessary to complete the construction in accordance with the Contract Documents. CVSSD and the Companies hereby accept the Contract Documents as constituting the final engineering and facility design and as being complete and accurate. The Parties by their execution of this Agreement and the Cities by their acceptance of this Agreement acknowledge that the Water Treatment Plant, as designed and to be constructed, is acceptable to all Parties with respect to both facility design and operating parameters. Upon completion of the Water Treatment Plant, CVSSD, in cooperation with the Companies, will temporarily operate the Water Treatment Plant and have it tested to verify that it meets the design criteria contained in the Contract Documents. Upon completion of the necessary testing, CVSSD shall provide to the Companies a notarized letter, signed by the Board Chairperson, verifying in writing that CVSSD concurs that the design criteria previously agreed to by the Parties have been satisfied and indicating its willingness to accept the Water Treatment Plant in accordance with the terms of this Agreement.

9. Water Treatment Plant Transfer. No deed transfers are required to comply with the terms of this Agreement. Upon the receipt of the notarized letter specified in the preceding paragraph, the Water Treatment Plant will be owned by Huntington City and operated and maintained by CVSSD in accordance with the existing interlocal governmental agreements referred to in this Agreement.

10. Operation and Maintenance Expense. CVSSD agrees that it shall be responsible for operation and maintenance of the Water Treatment Plant from and after the date of the signed, notarized acceptance letter, sent to the Companies. At the time of delivery of the notarized acceptance letter, Energy West shall pay to CVSSD, by its check the lump sum payment of Fifty Thousand Dollars (\$50,000) and GENWAL shall pay to CVSSD, by its check, the lump sum payment of Fifty Thousand Dollars (\$50,000). Payment of said amounts shall constitute the one time payment by the Companies of the full and complete

contribution of the Companies to the future operation and maintenance costs of the Huntington Canyon Water Treatment Plant (Operation and Maintenance Expense Analysis is included as Exhibit "A") for the life of the facility. No additional operation and maintenance expenses will be owed by the Companies at any time in the future because of their mining operations.

11. Indemnification. During the period of time beginning with the date the contractor engaged to construct the Water Treatment Plant first enters the existing Plant Site and continuing until the date the Companies receive the notarized acceptance letter specified above the Companies shall indemnify and hold harmless CVSSD from and against any and all claims, losses, costs, suits, damages or causes of action including costs and attorney's fees, for and on account of injury, bodily or personal, or death of persons, damage to or destruction of property belonging to CVSSD, its directors, officers, employees, and agents in any way related to this Agreement. Upon delivery of the said notarized acceptance letter and thereafter for the life of the Huntington Canyon Water Treatment Plant, CVSSD shall likewise indemnify, defend, and hold harmless the Companies, their boards of directors, officers, employees, and agents against and from any and all claims, losses, costs, suits, damages or causes of action including costs and attorneys' fees, for and on account of injury, bodily or personal, or death of persons, damage to or destruction of property belonging to the Companies their directors, officers, employees, and agents in any way related to this Agreement.

12. Construction Warranties. In connection with the construction of the Water Treatment Plant, Energy West and GENWAL will obtain the warranties and representations more fully set out in the Contract Documents. The Parties agree that the representations and warranties contained in the Contract Documents are adequate for the purposes of this Agreement and Energy West and GENWAL shall be under no obligation to obtain additional or further warranties and representations from the parties constructing the Water Treatment Plant.

13. Water Rights. The waters treated in the Water Treatment Plant shall be waters owned, rented or otherwise acquired by the cities of Huntington, Cleveland and Elmo, administered by CVSSD. CVSSD shall be solely responsible to ensure that the cities of Huntington, Cleveland and Elmo have adequate water rights for use in connection with the Water Treatment Plant. CVSSD shall take such action as is necessary in accordance with the laws of the State of Utah to ensure that the CVSSD Water may be utilized in connection with the terms of this Agreement. The PacifiCorp Water and the GENWAL Water shall not be utilized in any way in connection with the performance of this Agreement and, the Companies shall be under no obligation or duty to supply water or water rights in connection with the operation and maintenance of the Water Treatment Plant unless authorized by separate agreement.

This Agreement contemplates that the Cities will transfer water rights in Huntington Cleveland Irrigation Company from one approved diversion point (Little Bear Spring) to another approved diversion point (Water Plant Diversion), both within the Huntington Cleveland Irrigation Company's water right area. In the event that this anticipated transfer is contested or otherwise not approved by Huntington Cleveland Irrigation Company, the Companies agree to provide a sufficient number of their water shares, on a temporary basis, for use by the Cities and District, until the dispute is resolved and a permanent transfer of the Cities water rights is achieved.

14. Representations and Warranties. With respect to this Agreement, the Parties hereby represent and warrant to each other as follows:
- a. That there are no outstanding conveyances, assignments or agreements granting preferential rights to CVSSD subject to this Agreement in anyone claiming by, through or under the party making this Agreement.
 - b. That each Party has all of the rights and powers required to enable it to enter into this Agreement and perform the covenants and obligations on its part to be kept

and performed hereunder; that the execution and delivery of this Agreement and the performance of the covenants and obligations to be kept and performed hereunder are not contrary to and do not constitute a default under any agreement, either oral or written, to which the party executing this Agreement is a party or by which it is bound.

- c. That the Parties making this Agreement have not violated any federal, state or local law, statute, regulations, rule or order applicable to the subject matter of this Agreement and that the parties making this Agreement have complied in all material respects with all applicable federal, state and local laws, statutes, regulations, rules and orders relating to this Agreement.

The above-described representations and warranties shall be applicable at the time of the execution of this Agreement and until the completion of the construction of the Water Treatment Plant.

- 15. Taxes and Rentals. All rentals, taxes and assessments accrued during construction of the Water Treatment Plant, including design, shall be paid by the Companies. All subsequent rentals, taxes and assessments shall be paid by CVSSD.
- 16. Survival. Each and every representation, warranty, covenant and agreement of the Parties contained in this Agreement shall survive the completion of the transactions contemplated by this Agreement to take place on the date of this Agreement or subsequent thereto.
- 17. Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, legal representatives and assigns of the Parties. Any assignee of this Agreement, by accepting such assignment, agrees to be bound by all the terms, covenants and conditions of this Agreement or such assignment shall be void and of no effect.

18. Notices. Any notice given under this Agreement shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested. If notice is given by mail, it shall be deemed received seventy-two (72) hours following the time of deposit to the United States mail as evidenced by the postmark on such notice, and such time shall be the effective time of the notice for the purpose of commuting any time periods provided herein. Any such notice shall be delivered or mailed to the following addresses:

If to CVSSD:

Castle Valley Special Service District
c/o Chairman Paul Crawford
P.O. Box 877
Castle Dale, UT 84513

If to PacifiCorp:

PacifiCorp
c/o Energy West Mining Company
Attn: Dee Jense, President and General Manager
P.O. Box 310
Huntington, UT 84528

If to GENWAL:

GENWAL Resources, Inc.
ATTN: Laine Adair, General Manager
P.O. Box 1077
Price, Utah 84501

Any Party may, by the giving of written notice as provided hereunder, change the address to which notices given hereunder are to be directed.

19. Miscellaneous.

- a. This Agreement and all other instruments executed in furtherance of the

transactions contemplated hereby and the rights and obligations of the parties hereunder and under such other instruments shall be governed in accordance with the laws of the State of Utah.

- b. The invalidity or unenforceability of any portion or provisions of this Agreement shall in no way affect the validity or enforceability of any other portion or provision of this Agreement.
- c. This Agreement may not be amended or modified in any respect except by written agreement signed by a duly authorized representative of each of the Parties.
- d. With respect to the subject matter hereof, this Agreement supersedes all previous negotiations, understandings and agreements, whether written or oral, between the Parties or their representatives and constitutes the entire agreement of the Parties.
- e. The captions preceding each paragraph of the Agreement are utilized for the convenience of the Parties, but the captions shall not be used to modify, change or interpret the substantive content of this Agreement.
- f. The waiver by any Party of a breach of any term or condition in this Agreement shall not be deemed a waiver of any further breach of said term and condition, nor shall such a waiver constitute or affect any other term or condition. Any waiver must be in writing signed by the Party against whom such waiver is asserted.
- g. Any Party may, with the consent of the others, which shall not unreasonably be withheld, assign its interests, rights and obligations hereunder to a successor in interest to the business operated by the Party in connection with this Agreement, but in doing so the assignee under such an assignment shall, in writing, expressly assume all obligations hereunder of the assigning Party, and the assigning Party shall not be relieved of such interests, rights and obligations until the non-assigning Party has been furnished with a signed copy of such assumption.
- h. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.
- i. The parties agree from time to time to execute such additional documents as are

necessary to effect the intent of the Parties as manifested by this Agreement.

20. Approvals. This Agreement shall not be binding on any Party until such time as it has been approved by the CVSSD board, the Cities and the Companies.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CASTLE VALLEY SPECIAL SERVICE DISTRICT

By: Paul Crawford
Its: Board Chairman

PACIFICORP

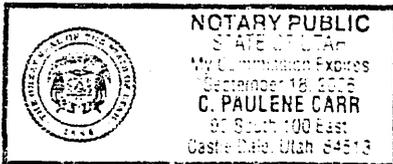
By: [Signature]
Its: Resident Energy West Mining Co.

GENWAL Resources, Inc.

By: [Signature]
Its: General Manager

STATE OF UTAH)
) :ss.
COUNTY OF EMERY)

On the 26 day of April, 2004, personally appeared before me Paul Crawford the Chairman of Castle Valley Special Service District, who is the signer of the forgoing instrument and who duly acknowledged to me that he executed the same.

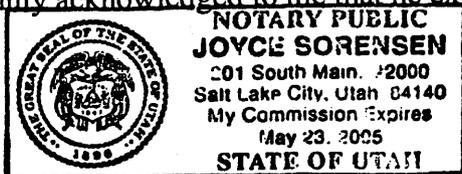


[Signature]
NOTARY PUBLIC

My Commission Expires:
9-18-06

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

On the 28 day of APRIL, 2004, personally appeared before me DEB W. JENSE
 the PRESIDENT of Pacific Corp, ENERGY WEST MINING COMPANY who is the signer of the forgoing instrument and who
 duly acknowledged to me that he executed the same.



Joyce Sorensen
NOTARY PUBLIC

My Commission Expires:
May 23, 2005

STATE OF UTAH)
 :SS.
 COUNTY OF EMERY)

On the 29th day of April, 2004, personally appeared before me Jaine W Adair
 the General Manager of GENWAL Resources, Inc., who is the signer of the forgoing
 instrument and who duly acknowledged to me that he executed the same.

Rada J. Rogers
NOTARY PUBLIC

My Commission Expires:
10/2/06



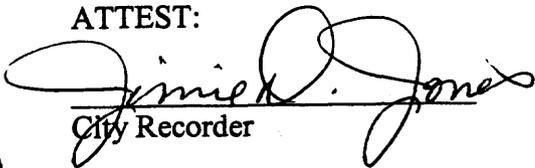
RATIFICATION AND ACCEPTANCE

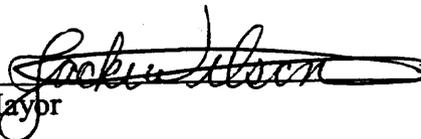
The undersigned cities of Huntington, Elmo and Cleveland hereby ratify the foregoing Water Treatment Plant Agreement, Little Bear Spring, Huntington Canyon and accept the terms and conditions thereof to the extent of their interests in the CVSSD Water as defined therein and any and all other interests in the real property of said cities as might be impacted by said Agreement.

Accepted and Agreed to by Huntington City this 21 day of July, 2004, pursuant to a Resolution of the Huntington City Council authorizing its execution.

HUNTINGTON CITY,
a Utah Municipal Corporation

ATTEST:


City Recorder

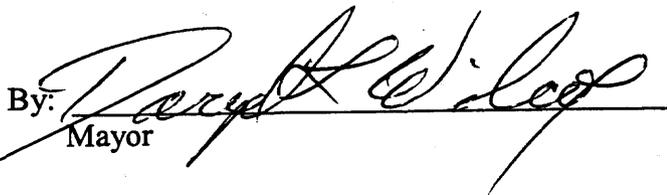
By: 
Mayor

Accepted and Agreed to by Elmo City this 27th day of Jan, 2004, pursuant to a Resolution of the Elmo City Council authorizing its execution.

ELMO CITY,
a Utah Municipal Corporation

ATTEST:

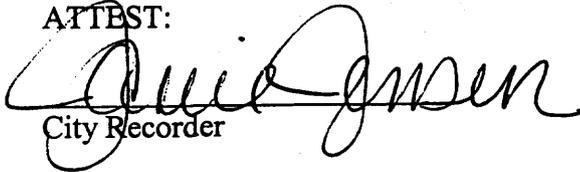

City Recorder

By: 
Mayor

Accepted and Agreed to by Cleveland City this 10 day of June, 2004,
pursuant to a Resolution of the Cleveland City Council authorizing its execution.

CLEVELAND CITY,
a Utah Municipal Corporation

ATTEST:


City Recorder

By: 
Mayor