

Bear Canyon Permit # ACT/015/025

One violation has been received for the above referenced permit number in the three years preceding August, 2002. The violation number is N01-43-1-1 and was received on March 29, 2001. Details of the violation are described below

N01-43-1-1

The violation was issued because sediment was carried out of the permit area by runoff. As a result of this violation new silt fences were installed below the Ballpark topsoil stockpile to prevent sediment from being carried off of the permit area. The correspondence between C. W. Mining and the Division concerning this violations has been included.

C.O.P. COAL DEVELOPMENT COMPANY
53 West Angelo Avenue
Salt Lake City, Utah 84115

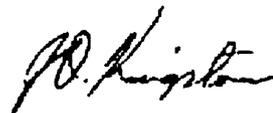
January 21, 2001

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

Gentlemen:

Please be advised that C.O.P. Coal Development Company is the record owner of the fee ground and Federal Coal lease #'s 020668, 024316, 024318, 38727, 46484, and 61049, located in Bear Canyon, Emery County, Utah, which includes all of the real property involved in Permit No. Act/015/025. C.O.P. is currently leasing all of the property to Co-op Mining Company and the lease permits Co-op to use the land for coal mining and related activities. This lease agreement will automatically be extended without amendment unless either party gives 30 days written notice of cancellation.

Very truly yours,



Joseph O. Kingston, President
C.O.P. Coal Development Company

JOK/lm

2 OWNERSHIP AND CONTROL

2.1 SCOPE

This chapter provides relevant and required information about the ownership and control of persons operating the Bear Canyon Mine, ownership and control of lands in the permit area, compliance status and history of the mines and their owners and operators, insurance and performance bonds, applicable licenses and status of permits and filings and public notices of this application.

2.2 IDENTIFICATION OF INTEREST (R645-301-112)

Permit Applicant: CO-OP MINING CO.

53 West Angelo Ave
Salt Lake City, Utah 84115
Tele. 801-486-5047

NOTE: C.W. Mining Co. is doing business as (DBA) Co-Op Mining Company (Co-Op).

2.2.1 Owners of Record of Surface Area and Coal Rights

Land and Coal Owner: C.O.P. Coal Development Co.
53 West Angelo Ave
Salt Lake City, Utah 84115

Officers and Directors of C.O.P. Coal Development Co.

Name	Title	Address
J. O. Kingston	President	53 West Angelo Ave., S.L.C., Ut 84115
J. D. Kingston Jr.	Vice Pres.	53 West Angelo Ave., S.L.C., Ut 84115
Luanna Kingston	Sec./Treas.	53 West Angelo Ave., S.L.C., Ut 84115

Neither C.O.P Coal Development or it's officers have any ownership or control over C. W. Mining. Co.

Plate 2-1 shows the Permit Area, Plate 2-2 shows Surface Ownership, Plate 2-3 shows Sub-Surface Ownership, and Plate 2-4 shows Surface Facilities. The initials COP on the plates stand for C.O.P. Coal Development Company. Table 2-1 lists the owners of the surface and mineral property rights within the permit area.

Permit Area

A.	T16S, R7E SLBM	Sec.	14 SW 1/4, SE 1/4
		Sec.	23 E1/2, E1/2 W1/2
		Sec.	24 W1/2, W1/2 E1/2
		Sec.	25 NW1/4 NW1/4, E1/2 NW1/4, SW1/4 SW1/4, E1/2 SW1/4
		Sec.	26 NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4 NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1.
B.	T16S, R7E SLBM	Sec.	13 W 1/4
		Sec.	14 NE 1/4
		Sec.	24 E1/2 SE1/4, SE1/4 NE1/4
	T16S, R8E SLBM	Sec.	18 SW1/4 SW1/4
		Sec.	19 S1/2 NW1/4, SW1/4, SW1/4 SE1/4,
A.	T16S, R7E SLBM	Sec.	25 SW1/4 NW1/4, NW1/4 SW1/4
C.	T16S, R7E SLBM	Sec.	25 E1/2
	T16S, R8E SLBM	Sec.	30 W1/2, W1/2 NE1/4, NW1/4 SE1/4
		Sec.	31 NE1/4 NW1/4, NW1/4 NE1/4

Note: Letter corresponds with ownership shown in Table 2-1.

The lease guarantees Co-Op the right to mine and remove from, and use for purposes incident to mining, including access roads, camp facilities, surface operations, storage of coal, and other activities; also unrestricted use of all access roads leading to and from the property. A total of 3,376.18 acres are included in the permit area.

2.2.3 Purchase of Record Under a Real Estate Contract for Surface Area Coal

See Appendix 2-B Title Insurance Policy and Property Title.

2.2.4 Operator, if Different from Applicant

Same as above.

2.5.1 Waiver of Owners of Nearby Occupied Dwellings

Waiver letters from the occupants of dwellings located within 300 feet of the coal mining operations are found in Appendix 2-G. The Dwelling nearest to the underground workings is the hunting cabin. Pictures of the dwelling were taken in 2004 for the pre-blast survey and are stored at the mine.

2.6 PERMIT TERM INFORMATION - ANTICIPATED FOR EACH PHASE

2.6.1 Starting Date

The mine started construction in 1981 and was in production by late fall of 1981.

2.6.2 Termination Dates

Termination dates anticipated for each phase of mining are nebulous at this time although a detailed estimate of production and reserves are included in the Geology Section and a projection of 33-years appears realistic (from 1990). The final termination date for the mining operation is expected to be 2012.

2.6.3 Numbers or Surface Acres Affected

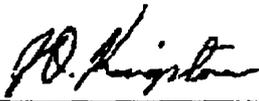
The actual surface acreage disturbed by the mine operation is identified in Section 3.3.14. Plate 2-1 shows the permit area and Plates 2-4 show the surface facilities and disturbed area.

Salt Lake City, Utah 84115

To Whom It May Concern:

C.O.P. Coal Development Company, as the owner of a dwelling within 300 feet of the mining and reclamation operations of Co-op Mining Company at Bear Canyon, Utah, which dwelling is occupied by Sportsmans, is aware of it's legal right to deny mining within 300 feet of the dwelling and has knowingly waived that right and consented to the mining and reclamation activities of Co-op Mining Company at Bear Canyon, Utah.

C.O.P. Coal Development Company

By 
Joseph O Kingston, President
C.O.P. Coal Development Company

Sportsmans, As occupant of the dwelling above described, herby waives any right he may have to the mining and reclamation actives of Co-op Mining Company within 300 feet of said dwelling and expressly consents to the same.

Signed 
Alan Jenkins, President
Sportsmans