

C/015/025 Incoming

cc: Dana  
John B.  
Joe

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August 25, 2010

Utah Division of Oil, Gas, and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

Attention: Mr. John Baza

Re: Transfer of Permit C/015/025

Dear Director Baza:

This letter is to notify you that on August 25, 2010, Castle Valley Mining LLC , a subsidiary of Rhino Energy LLC, purchased the Bear Canyon Mine from Kenneth A. Rushton, Trustee of the Bankruptcy Estate of C.W. Mining Company, pursuant to the Order of the United States Bankruptcy Court for the District of Utah entered on August 4, 2010. Pursuant to the sale, the Trustee transferred and assigned all of C.W. Mining Company's rights in the Bear Canyon Mine, including the right to receive the transfer of Permit No. C/015/025 issued by the Utah Division of Oil, Gas, and Mining. Please be advised that Castle Valley Mining LLC intends to apply to the Utah Division of Oil, Gas, and Mining for a transfer of that permit into its name.

We would be grateful for your assistance and consideration in this regard.

Thank you.

Sincerely,

CASTLE VALLEY MINING LLC

By Corey Heaps  
Corey Heaps, Vice President

cc: Mr. Steve Alder

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AUG 30 2010

DIV. OF OIL, GAS & MINING