

CB15/025 Incoming

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# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>

IN REPLY REFER TO:

- 3453
- UTU-73342 (LMU)
- UTSL-025431
- UTSL-069985
- UTU-020668
- UTU-024316
- UTU-024318
- UTU-38727
- UTU-46484
- UTU-51923
- UTU-61048
- UTU-61049
- (UT-9223)

JAN 06 2011

RECEIVED  
JAN 10 2011  
DIV. OF OIL, GAS & MINING

CERTIFIED MAIL—Return Receipt Requested

### DECISION

Assignor:	:	
Kenneth A. Rushton, Trustee	:	Federal Coal Leases
Bankruptcy Estate of	:	UTSL-025431 and UTSL-069985
C. W. Mining Company	:	UTU-020668, UTU-024316, UTU-024318,
99 West Main Street	:	UTU-38727, UTU-46484, UTU-51923,
P.O. Box 212	:	UTU-61048 and UTU-61049
Lehi, UT 84043	:	
	:	
	:	
Assignee:	:	
Castle Valley Mining L. L. C.	:	
2352 N 7 <sup>th</sup> Street, Unit B	:	
Grand Junction, CO 81501	:	
	:	

### Assignment of Federal Coal Lease Operating Rights Approved

On September 22, 2010 Castle Valley Mining L.L.C. submitted an assignment of operating rights for Federal Coal leases UTSL-025431, UTSL-069985, UTU-020668, UTU-024316, UTU-024318, UTU-38727, UTU-46484, UTU-51923, UTU-61048 and UTU-61049, contained in Federal coal Logical Mining Unit (LMU) UTU-73342, entered into on August 25, 2010 between Kenneth A. Rushton, trustee of the bankruptcy estate of C.W. Mining Company, as assignor, and Castle Valley Mining L.L.C., as assignee.

In accordance with the United States Bankruptcy Court for the District of Utah's (Bankruptcy Case No. 08-20105 RKM) "Amended findings of Fact and Conclusions of Law" entered into on

August 9, 2010 (at Docket No. 1574) and "Order Authorizing Sale of Mine Assets Free and Clear of all Liens, Claims, Encumbrances and Interests and Authorizing the Assumption and Assignment of executor Contracts Under 11 U.S.C. § 363 and § 365 the operating rights for the above noted federal coal leases were sold to Rhino Energy L.L.C., Castle Valley Mining L.L.C.'s predecessor-in-interest.

Satisfactory evidence of the qualifications and holdings of Castle Valley Mining L.L.C. has been filed on September 22, 2010 and the information concerning the assignee's coal holdings, required pursuant to the regulations at 43 CFR 3422.3-4., have been provided and reviewed by the Attorney General, Antitrust Division, U.S. Department of Justice. Additionally, based on the Order Authorizing the Sale of Mine Assets, (at Docket No. 1558), a determination has been made on December 17, 2010 by the Office of Natural Resources Revenue that, for this transaction only, the lease accounts for the above noted leases are in good standing.

Therefore, the assignment meets the requirements of the regulations and is hereby approved effective January 1, 2011. The assignee has submitted written confirmation that in accordance with 43 CFR 3453.3-3 that the effective date of the assignment be effective the first day of the month of approval of the assignment. Approval of the assignment of operating rights does not constitute approval of any of the terms therein which may be in violation of the lease terms. In addition, along with the approval of the assignment of operating rights for these coal leases, Castle Valley Mining, L.L.C. is hereby recognized as the operator of the Bear Canyon Logical Mining Unit, UTU-73342.

/s/ Roger L. Bankert

Roger L. Bankert  
Chief, Branch of Minerals

cc: Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801  
ONNR, MRM, Solid Minerals Staff, Attn: Patrick Mulcahy, MS390B2, Box 25165, Denver,  
CO 80225-0165  
Price Field Office

CERTIFIED MAIL – Return Receipt Requested to:  
C.O.P. Development Company, 53 West Angelo Ave., Salt Lake City, Utah 84115  
ANR Company, 3212 South State Street, Salt Lake City, Utah 84115