

ITEM 2-11

NEWSPAPER ADVERTISEMENT

PUBLIC NOTICE

AFFIDAVIT OF PUBLICATION

STATE OF UTAH }
County of Emery, } ss.

I, Robert L. Finney, on oath, say that I am
the Publisher of The Emery County Progress,
a weekly newspaper of general circulation, published at Castle Dale,
State and County aforesaid, and that a certain notice, a true copy
of which is hereto attached, was published in the full issue of
such newspaper for Four (4)
consecutive issues, and that the first publication was on the
31st day of December, 19 80 and that the
last publication of such notice was in the issue of such newspaper
dated the 21st day of January, 19 81

Robert L. Finney
Subscribed and sworn to before me this

5th day of February, 19 81

Isabelle Finney
Notary Public.

My Commission Expires October 26, 1983

My Commission expires _____, 19 _____

Residing at Price, Utah

Publication fee, \$ 55.20

Public Notice pursuant to UMC 782.21 is hereby given regarding the proposed underground mining activities of Genwal Coal Company, Inc.

Genwal Coal Company, Inc., Box 38, Orangeville, Utah, has submitted to the State of Utah, Division of Oil, Gas and Mining a mining permit application to conduct underground mining operations on Federal Coal Lease SL-062648 located in Crandall Canyon, described as the SE 1/4 of the NE 1/4 of Section 6, and the SW 1/4 of the NW 1/4 of Section 5, T.162., R.7E., SLM, Emery County Utah.

The name of the proposed underground mine will be the Crandall Canyon Mine and portal facilities will be in the general vicinity of the past surface disturbance of the prior mining activities conducted as the Tip-Top Mine owned by John F. Sanders. This location is approximately one and one quarter mile upstream from the confluence of Crandall Creek with Huntington Creek. This location is contained on the U.S.G.S. Rilda Quadrangle 7.5 minute map.

A copy of the mine permit application for the proposed operation is available for public inspection at the office of the Emery County Recorder, Emery County Courthouse, Castle Dale, Utah.

The regulatory authority which will receive written comments on the application pursuant to UMC 786.12-786.14 will be the State of Utah Division of Oil, Gas and Mining, 1588 West North Temple, Salt Lake City, Utah.

Published in the Emery County Progress
December 31, 1980,
January 7, 14, 21, 1981

Unlawful to ...

July 8, 1982

AFFIDAVIT OF PUBLICATION

STATE OF UTAH }
County of Emery, } ss.

I, Robert L. Finney, on oath, say that I am
the Publisher of The Emery County Progress,
a weekly newspaper of general circulation, published at Castle Dale,
State and County aforesaid, and that a certain notice, a true copy
of which is hereto attached, was published in the full issue of
such newspaper for Four (4)

consecutive issues, and that the first publication was on the
31st day of March, 19 82 and that the
last publication of such notice was in the issue of such newspaper
dated the 21st day of April, 19 82

Robert L. Finney

Subscribed and sworn to before me this
21st day of April, 19 82

[Signature]
Notary Public.

My Commission expires My Commission Expires October 23, 1993
Residing at Price, Utah

Publication fee, \$ 80.00

to UMC 782.21 is hereby given regarding the proposed underground mining activities of Genwal Coal Company, Inc.

Genwal Coal Company, Inc., Box 22, Orangeville, Utah, has submitted to the State of Utah, Division of Oil, Gas and Mining a mining permit application to conduct underground mining operations on Federal Coal Lease SL-0625-48 located in Crandall Canyon, described as the SE 1/4 of the NE 1/4 of Section 6, and the SW 1/4 of the NW 1/4 of Section 5, T14S, R7E, S1M, Emery County Utah.

The name of the proposed underground mine will be the Crandall Canyon Mine and portal facilities will be in the general vicinity of the past surface disturbance of the prior mining activities conducted as the Tip-Top Mine owned by John F. Sanders. This location is approximately one and one quarter mile upstream from the confluence of Crandall Creek with Huntington Creek. This location is contained on the U.S.G.S. Blade Quadrangle 7.5 Emery County

Recorder,
Emery County Courthouse,
Castle Dale, Utah 84513,
and
Utah Division of Oil, Gas and Mining,
4241 State Office Building,
Salt Lake City, Utah 84114.

The public is welcome to review the application and offer any comments to the Office of Surface Mining and/or Utah Division of Oil, Gas, and Mining. Any written comments, objections, or requests for an informal conference should be sent to the following address:

Glean B. Feight,
Director
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Richard E. Dawes,
Deputy Administrator
Office of Surface Mining

Brooks Towers
1020-15th St.
Denver, Colorado 80202
Published in the Emery County Progress March 31, April 7, 14 and 21, 1982.

ITEM II-12

WASTE AREA LEASE

9-5-86

LEASE AGREEMENT

This Lease Agreement made and entered into this 8th day of September, 1986, by and between SINBAD CONSTRUCTION COMPANY, INC., of Orangeville, Emery County, Utah, Lessor, and GENWAL COAL COMPANY, INC., of Huntington, Emery County, Utah, Lessee.

W I T N E S S E T H:

In consideration of the mutual promises herein made, the parties hereto agree as follows:

1. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the following described real property situated in Emery County, State of Utah, to-wit:

Beginning at a point 460 feet South of the Northwest corner of the SE 1/4 of the NE 1/4 of Section 16, Township 18 South, Range 8 East, Salt Lake Base and Meridian, thence South 200 feet; thence East 300 feet, thence North 200 feet, thence West 300 feet to the point of beginning;

Excluding, however, any and all mineral rights, if any, in and to said property.

Together with the following described road right-of-way to be used in common with Lessor:

Beginning at the Northwest corner of the SE 1/4 of the NE 1/4 of Section 16, Township 18 South, Range 8 East, Salt Lake Base and Meridian; thence

Lease Agreement - Page Two

South 460 feet; thence East 30 feet,
thence North 460 feet, thence West 30
feet to the point of beginning.

2. The parties understand and agree that Lessee intends to use said property as a landfill for disposing of waste rock and sediment pond materials from the Crandall Canyon Mine, along with whatever other materials associated with underground coal mining activities may be unavoidably co-mingled with said material.

3. The term of this lease is for one (1) year, commencing on the 8th day of September, 1986, and said lease shall be renewed automatically on a yearly basis unless and until terminated pursuant to the provisions of this lease.

4. Lessee shall pay rent to Lessor in the sum of two hundred dollars (\$200.00) per year, payable to Lessor at 55 South 3rd West, Orangeville, Utah 84537 or by mail to the same address, on the date said lease commences and on the same date each year thereafter, so long as said lease is in effect. Lessee shall be responsible for no other charges regarding said property. Lessor shall pay any and all taxes, assessments, costs and other charges levied on or charged against said property in a timely manner.

5. The parties agree that Lessee shall have exclusive use of said leased premises and that Lessor shall not use said leased premises for any purpose whatsoever without the prior written consent of the Lessee.

6. In the event Lessee fails to comply with the terms hereof, Lessor shall provide to Lessee written notice of said default and Lessee shall have thirty (30) days in which to cure said default without penalty. If Lessee fails to cure said default within said thirty (30) days, Lessor, at its option, may terminate this lease agreement.

7. This lease agreement may be terminated by Lessee upon thirty (30) days prior written notice to Lessor. If the lease is so terminated before the expiration of the lease year, the Lessee shall forfeit all money paid to Lessor for the remainder of that one (1) year period.

8. Upon termination of said lease agreement, Lessee shall reclaim the leased premises in accordance with the regulations of the Utah Division of Oil, Gas and Mining.

9. Lessor agrees to indemnify Lessee and hold Lessee harmless from and against any and all liability, loss, damage or expense Lessee may suffer as a result of claims, demands, costs or judgments against it arising from Lessor's or its employees', servants', agents', or assigns' negligence, intentional acts or breach of any terms herein.

Lease Agreement - Page Four

Lessee agrees to indemnify Lessor and hold Lessor harmless from and against any and all liability, loss, damage or expense Lessor may suffer as a result of claims, demands, costs or judgments against it arising from Lessee's or its employees', servants', agents', or assigns' negligence, intentional acts or breach of any terms herein.

10. The parties agree that should they default in any of the provisions contained herein, the defaulting party shall pay all costs and expenses, including a reasonable attorney's fee, which may arise or accrue from enforcing this agreement.

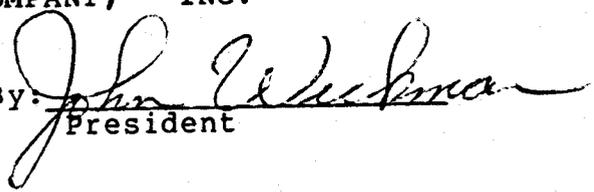
11. The parties agree that said agreement binds the heirs, executors, administrators, successors and assigns of the respective parties hereto.

12. This agreement contains the entire understanding between the parties and no part shall be amended or modified except in writing signed by each of the parties.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date and year first above set forth.

LESSOR:

SINBAD CONSTRUCTION
COMPANY, INC.

By: 
President

Attest: Connie Wickman
Secretary

LESSEE:

GENWAL COAL COMPANY, INC.

By: [Signature]
Vice President

Attest: Wanda Gent
Secretary

STATE OF UTAH)
 : ss.
COUNTY OF EMERY)

On the 6th day of September, 1986, personally appeared before me John Wickman and Connie Wickman, who being duly sworn did say each for himself that he, the said John Wickman, is the president and he, the said Connie Wickman, is the secretary of SINBAD CONSTRUCTION COMPANY, INC. and that the within and foregoing instrument was signed on behalf of said corporation by authority of a resolution of its board of directors and said John Wickman and Connie Wickman each duly acknowledged to me that

said corporation executed the same and that the seal affixed is the seal of the corporation.

My Commission Expires:

July 27, 1989

Marilyn Bean
NOTARY PUBLIC
Residing at:
Orangville Utah

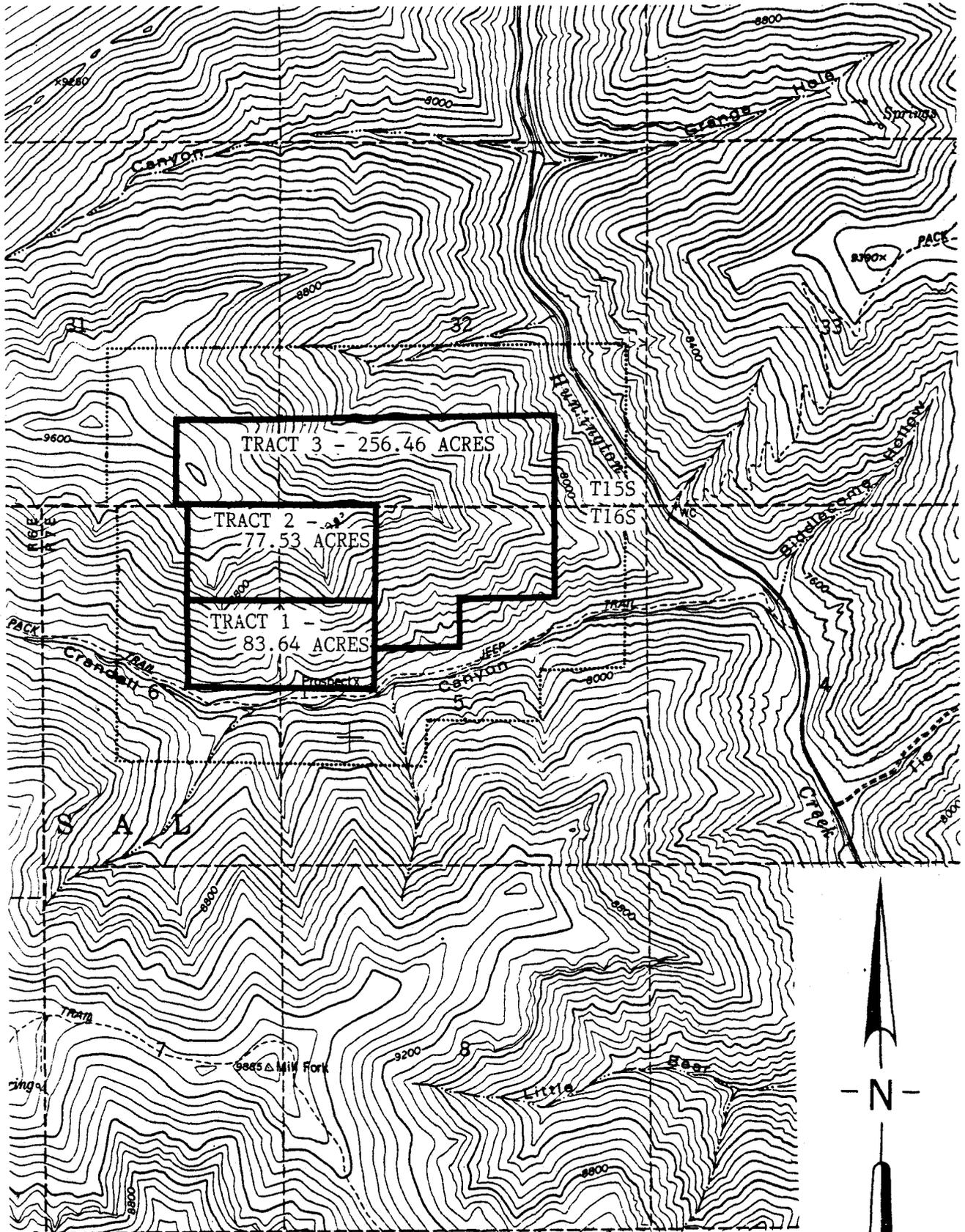
STATE OF UTAH)
 : SS.
COUNTY OF EMERY)

On the Eight day of September, 1986, personally appeared before me Charles Gent Jr. and Wanda Gent, who being duly sworn did say each for himself that he, the said Charles Gent Jr., is the vice president and he, the said Wanda Gent, is the secretary of GENWAL COAL COMPANY, INC. and that the within and foregoing instrument was signed on behalf of said corporation by authority of a resolution of its board of directors and said Charles Gent Jr. and Wanda Gent each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of the corporation.

My Commission Expires:

January 27, 1990

Jean Ottison
NOTARY PUBLIC
Residing at:
Huntington, Utah 84528

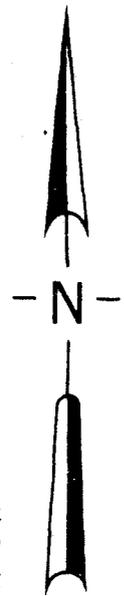


TRACT 3 - 256.46 ACRES

TRACT 2 - 77.53 ACRES

TRACT 1 - 83.64 ACRES

SCALE 1 inch = 2000 feet
 TRACT BOUNDARY ———
 1000' BOUNDARY ·····



RECEIVED

JUN 10 1986 PLATE 2-2. INTERESTS IN CONTIGUOUS LANDS

DIVISION OF
 OIL, GAS & MINING

MID TERM REVIEW 5-30-86