

Crandall Canyon Mine
MINING & RECLAMATION PLAN APPLICATION
ACT/015/032

R645-303-300 APPLICATION FOR APPROVAL
OF TRANSFER, ASSIGNMENT OR SALE OF PERMIT

DATED: NOVEMBER 8, 1993

REVISED: DECEMBER 9, 1993

**R645-303-321 REVISED APPLICATION FOR APPROVAL
OF TRANSFER, ASSIGNMENT OR SALE OF PERMIT**

321.100:

Existing Permittee:

Genwal Coal Company
195 North 100 West
P.O. Box 1420
Huntington, Utah 84528
ACT/015/032

321.200:

Genwal Coal Company, who has been and will continue to be the operator and permittee of the Crandall Canyon Mine, located in Carbon and Emery Counties, Utah, submits this application for approval of the transfer to Utah Energy Development Company, Inc. ("UEDC"), of a 50% interest in Crandall Canyon Mine held by Nevada Electric Investment Company ("NEICO") under the Crandall Canyon Project Joint Ownership and Operating Agreement between Intermountain Power Agency ("IPA") and NEICO dated July 1, 1991. IPA and NEICO are negotiating to sell an undivided 50% interest in the Crandall Canyon Mine to IPA and UEDC (the "Joint Owners") as tenants in common. Closing of this sale is expected in November 1993. Upon approval of this application by the Utah Division of Oil, Gas & Mining ("Division"), the Mining and Reclamation Plan for Permit No. ACT/015/032 will be revised.

321.300:

Applicant (R645-301-112.100 and .200):

Genwal Coal Company
195 North 100 West
P.O. Box 1420
Huntington, Utah 84528
Telephone: (801) 687-9813

Applicant is a Virginia corporation, incorporated October 10, 1974 and qualified to do business in Utah on April 18, 1980, is duly organized, validly existing and in good standing in the State of Utah.

Resident Agent for Service (112.220):

Larry W. Johnson, Engineer
P.O. Box 1420
Huntington, Utah 84528
Telephone: (801) 687-9813

Person Who Will Pay Abandoned Mine Land Fee (112.230):

Genwal Coal Company
195 North 100 West
P.O. Box 1420
Huntington, Utah 84528
Telephone: (801) 687-9813

Ownership and Control (112.300 and .400):

(1) **Permit Applicant:**

Genwal Coal Company
195 North 100 West
P.O. Box 1420
Huntington, Utah 84528
Telephone: (801) 687-9813

(2) **Names and Addresses of Officers and Directors of Applicant:**

OFFICERS:

NAME AND ADDRESS

POSITION

Allen P. Childs
195 North 100 West
Huntington, Utah 84528

President
as of closing

Denise Wood
2835 South Jones Boulevard
Las Vegas, Nevada 89102

Secretary/Treasurer
as of closing

DIRECTORS:

Charlie Vaughn
2835 South Jones, Suite 5
Las Vegas, Nevada 89102

Chairman of the Board
as of closing

(3) **Names and Addresses of Principal Shareholders of Applicant:**

Utah Energy Development Company, Inc. ("UEDC") (100%)
455 South 300 East, 3rd floor
Salt Lake City, Utah 84111

a. Utah corporation, incorporated July 1, 1993, duly organized, validly existing and in good standing in the State of Utah.

b. Resident Agent:

Larry G. Reed
455 South 300 East, 3rd floor
Salt Lake City, Utah 84111
Telephone: (801) 531-9865

c. Officers:

Robert C. Nead	President
455 South 300 East, 3rd Floor	since 10/29/93
Salt Lake City, Utah 84111	

(4) **Names Under Which Directors, Officers and Principal Shareholders of UEDC Previously Operated Mining Activities:** NONE

(5) **Current or Previous Coal Mining Permits or Pending Permit Application Held by Joint Owners:**

- a. Crandall Canyon Mine, Permit No. ACT/015/032
- b. Horse Canyon Mine, Permit No. ACT/007/013
- c. Wellington Preparation Plant, Permit No. ACT/007/012

(6) **Joint Owners:**

- a. UEDC. See (3) above.
- b. IPA, a political subdivision of the State of Utah, is a joint owner under the Crandall Canyon Project Joint Ownership and Operating Agreement.

Intermountain Power Agency, Joint Owner
c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051
Phone: (213) 481-4104

The name and address of IPA's General Manager and Agent for Service of Process is:

Reed T. Searle
Intermountain Power Agency
480 East 6400 South, Suite 200
Murray, Utah 84017
Phone: (801) 262-8807
Assumed Position September, 1989

Officers of IPA:

Reece D. Nielsen, Chairman
105 South 500 East
Hyrum, Utah 84319
Assumed Position January, 1983

R. Leon Bowler, Vice-Chairman
Dixie-Escalante Rural Electric Association, Inc.
Beryl, Utah 84714
Assumed Position January, 1983

Ray Farrell, Secretary
Heber Light & Power Company
31 South 100 West
Heber, Utah 84032
Assumed Position November, 1984

Clifford C. Michaelis, Treasurer
Bountiful Light & Power
198 South 200 West
Bountiful, Utah 84010
Assumed Position January, 1990

Directors of IPA:

Reece D. Nielsen, Chairman
105 South 500 East
Hyrum, Utah 84319
Assumed Position January, 1983

R. Leon Bowler, Vice-Chairman
Dixie-Escalante Rural Electric Association, Inc.
Beryl, Utah 84714
Assumed Position January, 1983

Ray Farrell, Secretary
Heber Light & Power Company
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Assumed Position November, 1984

Clifford C. Michaelis, Treasurer
Bountiful Light & Power
198 South 200 West
Bountiful, Utah 84010
Assumed Position January, 1990

Ted L. Olson, Director
P.O. Box 127
Ephraim, Utah 84627
Assumed Position January, 1989

Robert O. Christiansen, Director
260 West Center
Beaver, Utah 84713
Assumed Position January, 1989

Russell F. Fjeldsted, Director
Logan City Light and Power
P.O. Box 527
Logan, Utah 84321
Assumed Position January, 1989

Shareholders of IPA:

IPA has no shareholders. IPA is a political subdivision of the State of Utah, and as such, has not issued stock.

Legal or Equitable Owners of Record (112.500 and 600):

- (1) **The Legal or Equitable Owners of the Areas to be Affected by the Surface Operations and Facilities are:**

See Plate 1-1

The United States of America
BLM Lease U-54762

The United States of America
BLM Lease SL-62648

The State of Utah
State Lease ML-21568

The State of Utah
State Lease ML-21569

Mountain Coal Company
P.O. Box 591
Somerset, Colorado 81434

(2) **The Holders of Record of Any Leasehold Interest in Areas to be Affected by Surface Operations or Facilities:**

United States Department of the Interior
Bureau of Land Management
Utah State Office
324 South State Street
Salt Lake City, Utah 84111

United States Department of Agriculture
Forest Service
125 South State
Salt Lake City, Utah 84111

State of Utah
Department of State Lands & Forestry
355 West North Temple
III Triad, Suite 400
Salt Lake City, Utah 84180-1204

Mountain Coal Company
P.O. Box 591
Somerset, Colorado 81434

(3) **The Following are the Owners of Coal Estate for the Mined Areas:**

United States of America
Department of the Interior
Bureau of Land Management
Utah State Office
324 South State
Salt Lake City, Utah 84111

State of Utah
Department of State Lands & Forestry
355 West North Temple
III Triad, Suite 400
Salt Lake City, Utah 84180-1204

Since coal ownership remains the same, no change to the Mine Plan is required.

(4) **The Holders of Record of Any Leasehold Interest in Areas to be Affected by Surface Operations or Facilities are:**

Lessee: Genwal Coal Company

Lessor: Mountain Coal Company
P.O. Box 591
Somerset, Colorado 81434

(5) **The Holders of Record of Any Leasehold Interest in the Coal to be Mined are:**

<u>Lease</u>	<u>Lessor</u>
SL-062648	U.S.A.
U-54762	U.S.A.
ML-21568	Utah State
ML-21569	Utah State

Lease SL-062648 was assigned to Genwal by the heirs of John F. Sanders (deceased) of Fairview, Utah. Currently, IPA and NEICO have an undivided 50% interest as tenants in common of all leases previously held by Genwal. The BLM has approved the assignments and documents of IPA and NEICO as the current leaseholders.

MSHA Number (112.700):

Crandall Canyon Mine	42-01715	Issue Date 1/4/81
		Employee Identification #54-0972798
Wellington Loadout	42-00099	Issue Date 12/30/85
		Employee Identification #87-0473626
IPA - Horse Canyon Mine	42-00100	Issue Date 7/23/73
		Employee Identification #87-0366288

Option -- Contiguous Lands (112.800):

Applicant has interests in land contiguous to the area covered by the proposed mine permit. (See Plate 1-1). Genwal has filed a "Lease by Application" ("LBA") for federal coal lease UTU-68082 which is currently being reviewed by the BLM. The BLM will offer the lease for competitive bid on December 23, 1993.

Compliance Information (113):

(1) **Statement of Compliance (113.100 - .200):**

Neither the applicant, nor any of its subsidiaries, affiliates or persons controlled by or under common control with the applicant has had a federal or state mining permit suspended or revoked in the last five years; nor forfeited a mining bond or similar security deposited in lieu of bond.

(2) **Violation Notices (113.300):**

Attachment A sets forth violation notices received by the applicant and any person who owns or controls applicant in connection with any underground or surface coal mining activities within the last three years.

Right of Entry and Operations Information:

(1) **Right of Entry (114.100):**

Under an Asset Purchase Agreement to be closed in December, 1993, an undivided 50% interest in the Mine and the following interests will be conveyed:

Federal Coal Lease Assignments:

Assignment of Federal Coal Lease U-54762 issued to Genwal Coal Company December 1, 1986 and assigned to NEICO and IPA on July 11, 1991.

Assignment of Federal Coal Lease SL-62648, assigned to NEICO and IPA on July 11, 1991 and issued to Genwal Coal Company on December 1, 1986.

Copies of the assignments are on file with the MRP.

State Coal Lease Assignments:

Assignment of Utah State Coal Lease ML-21568,
assigned to NEICO and IPA on July 11, 1991.

Assignment of Utah State Coal Lease ML-21569,
assigned to NEICO and IPA on July 11, 1991.

Copies of the Assignments are included in the MRP.
The Assignments are not subject to pending litigation.

Underground Access Special Use Permit Assignment:

Underground Access Special Use Permit, issued July 20,
1991, to Genwal Coal Company by the Forest Service.
Beaver Creek Coal Company, now Mountain Coal
Company, regarding all of that part of the N1/2, NW1/4,
SW1/4 lying north of Crandall Creek is stated in
Appendix 1-5 of the existing MRP.

Relationship to Areas Designated Unsuitable for Mining (115):

- (1) The permit area is not within an area or under study as an area designated as unsuitable for mining.
- (2) Applicant does not propose to mine within 300 feet of an occupied dwelling. However, the U.S. Forest Service has issued a Special Use Permit for the Forest Service road within the permitted area of the Crandall Canyon Mine and accepts that the operation will occur within 100 feet of said road. The special Use Permit is included in the Approved Mine & Reclamation plan or Appendix 1-2.

Permit Term (116):

- (1) Applicant proposes to continue operations under ACT/015/035 consistent with Utah Code Ann. § 40-10-9(2). The schedule of operations is set forth at Plates 5-2a and 5-2b, enclosed.
- (2) The permit term is for five (5) years.

Personal Injury and Property Damage Insurance Information (117.100):

Certificates of Insurance issued to Genwal Coal Company are located in the approved Mining and Reclamation Plan and in the Reclamation Agreement on file with the Division. Enclosed at Attachment B is a letter dated October 21, 1993 which names UEDC as an additional named insured.

322: Newspaper Advertisement and Proof of Publication

1. Notice of this transfer was published on November 9, 1993 and proof of publication has been filed with the Division. An amended notice of this proposed transfer will be submitted for publication to the Emery County Progress in Castle Dale, Utah, and in the Sun Advocate in Price, Utah, in substantially the following form. Upon publication, proof will be submitted to the Division pursuant to R645-303-322 as follows:

NOTICE

Notice is hereby given that Genwal Coal Company, who has been and will continue to be the permittee and operator of the Crandall Canyon Mine, has submitted an application to the Division of Oil, Gas & Mining for transfer of the Crandall Canyon Mine, Permit No. ACT/015/032 under the provisions of R645-303-300, an undivided fifty percent interest in permits rights to the Utah Energy Development Corporation, whose address is 455 South 300 East, 3rd Floor, Salt Lake City, Utah 84111. The permit area is located in Carbon and Emery Counties, Utah, and is described as follows:

Lease

Identification

Description

Federal Lease
U-54762

Township 15 South, Range 7 East, SLBM

Section 31: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 32: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Township 16 South, Range 7 East, SLBM

Section 5: Lots 2, 3 and 8

Federal Lease
SL-062648

Township 16 South, Range 7 East, SLBM

Section 5: SW $\frac{1}{4}$, NW $\frac{1}{4}$, Lot 4

Section 6: SE $\frac{1}{4}$ NE $\frac{1}{4}$, Lot 1.

Federal Lease
U-66838

Beginning at the SW Section corner of Section 31, Township 15 South, Range 7 East; thence 4607.5 feet East; thence 1040.0 feet North; thence 4607.5 feet West; thence 1040.0 feet South to the point of beginning.

State Lease
ML-21568

Township 16 South, Range 6 East, SLBM

Section 2: All

State Lease
ML-21569

Township 16 South, Range 6 East, SLBM

Section 36: All

Fee Lease

Township 16 South, Range 7 East, SLBM

All of that part of Section 5 of the N $\frac{1}{2}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ lying North of Crandall Creek.

Forest Service
Special Use

Township 15 South, Range 7 East, SLBM

Section 31: Lots 10, 11 and 12

Forest Service
Special Use

Township 15 South, Range 6 East, SLBM

Section 25: S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$
SW $\frac{1}{4}$ SE $\frac{1}{4}$.

Forest Service
Special Use

Township 16 South, Range 7 East, SLBM

Three small parcels adjacent to the U.S. Forest
Service road within Sections 4 and 5 specifically
used for the storage of topsoil.

Pertinent comments are solicited from anyone affected by this proposal. Such comments
should be filed within the next thirty (30) days with:

State of Utah, Department of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
III Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

340: STATEMENT

(1) Genwal agrees to conduct operations covered by the application and/or
permit in accordance with the requirements of the Utah Coal Mining & Reclamation Act,
implementing regulations and the regulatory program;

(2) Upon final approval of the application, applicant agrees to submit a letter of credit or other acceptable form of surety to secure the reclamation liability of the Crandall Canyon Mine; and

(3) The applicant will conduct the operations in full compliance with the terms and conditions of the application as finally approved, unless and until it has obtained a new permit.

(4) The information contained in this Application is true and correct to the best of my information and belief.

EXECUTED this ____ day of _____, 1993 by the undersigned.

GENWAL COAL COMPANY

BY _____
ALLEN P. CHILDS
PRESIDENT

STATE OF _____)
: ss.
COUNTY OF _____)

On this ____ day of _____, 1993, personally appeared before me Allen P. Childs, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn, did say that he is the President of Genwal Coal Company, and that said document was signed by him in behalf of said corporation by authority of its bylaws, and said Allen P. Childs acknowledged to me that said corporation executed the same.

Notary Public
Residing at _____

My Commission Expires:

NOTICE

Notice is hereby given that Genwal Coal Company, who has been and will continue to be the permittee and operator of the Crandall Canyon Mine, has published a notice in the Sun Advocate and the Emery County Progress on or around November 9, 1993, under which it was stated that Genwal Coal Company has submitted an application to the Division of Oil, Gas, and Mining for transfer of the Crandall Canyon Mine, Permit No. Act/015/032, under the provisions of R645-303-300. The transfer was and still is an undivided fifty percent interest in permits rights to the Utah Energy Development Corporation, whose address is 455 South 300 East, 3rd Floor, Salt Lake City, Utah 84111. This notice is published to correct an error in the description of the permit area, which is located in Emery County, Utah. The accurate description of the permit area is as follows:

Lease Identification
Federal Lease U-54762

Description

T.15S., R. 7E.
SECTION 31: SE $\frac{1}{4}$ SE $\frac{1}{4}$
SECTION 32: S $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$
SE $\frac{1}{4}$

Federal Lease SL-062648

T.16S., R.7E.
SECTION 5: Lots 2, 3, and 8
T.16S., R.7E.

Federal U-66838

SECTION 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$, Lot 4
SECTION 6: SE $\frac{1}{4}$ NE $\frac{1}{4}$, Lot 1
Beginning at the SW Section corner of Section 31, T.15s., R.7E. thence 4607.5 ft. East, thence 1040.0 ft. North, thence 4607.5 ft. West, thence 1040.0 ft South to Point of Beginning.

State Lease ML-21568
State Lease ML-21589
Fee Lease

All of SECTION 2, T.16S. R.6E.
All of SECTION 36, T.15S. R.6E.
T.16S., R.7E.
All of that part of SECTION 5 of the N $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ Lying North of Crandall Creek.

Forest Service Special Use
Forest Service Special Use

T.15S., R.7E.
SECTION 31: Lots 10, 11, and 12
T.15S., R.6E.
SECTION 25: S $\frac{1}{4}$ S $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$
SW $\frac{1}{4}$ SE $\frac{1}{4}$.

Forest Service Special Use

T.16S., R.7E.
Three (3) small parcels adjacent to the Forest Service road, within Sections 4 and 5, specifically used for the storage of topsoil.

Pertinent comments are solicited from anyone affected by this proposal within the thirty (30) days of the original publication date of November 9, 1993. Such comments should be filed with:

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

Published in the Sun Advocate December 7, 1993

Crandall Canyon Mine
MINING & RECLAMATION PLAN APPLICATION
ACT/015/032

R645-303-300 APPLICATION FOR APPROVAL
OF TRANSFER, ASSIGNMENT OR SALE OF PERMIT

DATED: NOVEMBER 8, 1993

**R645-303-321 APPLICATION FOR APPROVAL
OF TRANSFER, ASSIGNMENT OR SALE OF PERMIT**

321.100:

Existing Permittee:

Genwal Coal Company
195 North 100 West
P.O. Box 1201
Huntington, Utah 84528
ACT/015/032

321.200:

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321.300:

Applicant (R645-301-112.100 and .200):

Genwal Coal Company
195 North 100 West
P.O. Box 1201
Huntington, Utah 84528
Telephone: (801) 687-9813

Applicant is a Virginia corporation, incorporated October 10, 1974 and qualified to do business in Utah on April 18, 1980, is duly organized, validly existing and in good standing in the State of Utah.

Resident Agent for Service (112.220):

Jay Marshall, Chief Engineer
P.O. Box 1201
Huntington, Utah 84528
Telephone: (801) 687-9813

Person Who Will Pay Abandoned Mine Land Fee (112.230):

Genwal Coal Company
195 North 100 West
P.O. Box 1201
Huntington, Utah 84528
Telephone: (801) 687-9813

Ownership and Control (112.300 and .400):

(1) **Permit Applicant:**

Genwal Coal Company
195 North 100 West
P.O. Box 1201
Huntington, Utah 84528
Telephone: (801) 687-9813

(2) **Names and Addresses of Officers and Directors of Applicant:**

OFFICERS:

NAME AND ADDRESS

POSITION

Allen P. Childs
195 North 100 West
Huntington, Utah 84528

President
as of closing

Denise Wood
2835 South Jones Boulevard
Las Vegas, Nevada 89102

Secretary/Treasurer
as of closing

DIRECTORS:

Charlie Vaughn
2835 South Jones, Suite 5
Las Vegas, Nevada 89102

Chairman of the Board
as of closing

(3) **Names and Addresses of Principal Shareholders of Applicant:**

Utah Energy Development Company, Inc. ("UEDC") (100%)
455 South 300 East, 3rd floor
Salt Lake City, Utah 84111

a. Utah corporation, incorporated July 1, 1993, duly organized,
validly existing and in good standing in the State of Utah.

b. Resident Agent:

Larry G. Reed
455 South 300 East, 3rd floor
Salt Lake City, Utah 84111
Telephone: (801) 531-9865

c. Officers:

Robert C. Nead	President
455 South 300 East, 3rd Floor	since 10/29/93
Salt Lake City, Utah 84111	

(4) **Names Under Which Directors, Officers and Principal Shareholders of UEDC Previously Operated Mining Activities:** NONE

(5) **Current or Previous Coal Mining Permits or Pending Permit Application Held by Joint Owners:**

- a. Crandall Canyon Mine, Permit No. ACT/015/032
- b. Horse Canyon Mine, Permit No. ACT/007/013
- c. Wellington Preparation Plant, Permit No. ACT/007/012

(6) **Joint Owners:**

- a. UEDC. See (3) above.
- b. IPA, a political subdivision of the State of Utah, is a joint owner under the Crandall Canyon Project Joint Ownership and Operating Agreement.

Intermountain Power Agency, Joint Owner
c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051
Phone: (213) 481-4104

The name and address of IPA's General Manager and Agent for Service of Process is:

Reed T. Searle
Intermountain Power Agency
480 East 6400 South, Suite 200
Murray, Utah 84017
Phone: (801) 262-8807

Officers of IPA:

Reece D. Nielsen, Chairman
105 South 500 East
Hyrum, Utah 84319

R. Leon Bowler, Vice-Chairman
Dixie-Escalante Rural Electric Association, Inc.
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Ray Farrell, Secretary
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31 South 100 West
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Robert O. Christiansen, Director
260 West Center
Beaver, Utah 84713

Russell F. Fjeldsted, Director
Logan City Light and Power
P.O. Box 527
Logan, Utah 84321

Shareholders of IPA:

IPA has no shareholders. IPA is a political subdivision of the State of Utah, and as such, has not issued stock.

Legal or Equitable Owners of Record (112.500 and 600):

(1) **The Legal or Equitable Owners of the Areas to be Affected by the Surface Operations and Facilities are:**

See Plate 2-1 and Plate 2-2

The United States of America
BLM Lease U-54762

The United States of America
BLM Lease SL-62648

The State of Utah
State Lease ML-21568

The State of Utah
State Lease ML-21569

Intermountain Power Agency
c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051

Utah Energy Development Company, Inc.
455 South Third East, 3rd Floor
Salt Lake City, Utah 84111 (as of closing)

No area within the lands to be affected by surface operations and facilities or within the area is under a real estate contract.

(2) **The Holders of Record of Any Leasehold Interest in Areas to be Affected by Surface Operations or Facilities:**

United States Department of the Interior
Bureau of Land Management
Utah State Office
324 South State Street
Salt Lake City, Utah 84111

United States Department of Agriculture
Forest Service
125 South State
Salt Lake City, Utah 84111

State of Utah
Department of State Lands & Forestry
355 West North Temple
III Triad, Suite 400
Salt Lake City, Utah 84180-1204

Intermountain Power Agency
c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051

Utah Energy Development Company, Inc.
455 South Third East
Salt Lake City, Utah 84111

(3) **The Following are the Owners of Coal Estate for the Mined Areas:**

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Salt Lake City, Utah 84111

State of Utah
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355 West North Temple
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Since coal ownership remains the same, no change to the Mine Plan is required.

(4) **The Holders of Record of Any Leasehold Interest in Areas to be Affected by Surface Operations or Facilities are:**

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c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051

Utah Energy Development Company, Inc.
455 South Third East, 3rd Floor
Salt Lake City, Utah 84111

(5) **The Holders of Record of Any Leasehold Interest in the Coal to be Mined are:**

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c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051

Utah Energy Development Company, Inc.
455 South Third East, 3rd Floor
Salt Lake City, Utah 84111

MSHA Number (112.700):

Crandall Canyon Mine 42-01715

Option -- Contiguous Lands (112.800):

There are no outstanding interests in lands, options or pending bids on interests held or made by the applicant for lands which are contiguous to the area to be covered by the permit.

Compliance Information (113):

(1) **Statement of Compliance (113.100 - .200):**

Neither the applicant, nor any of its subsidiaries, affiliates or persons controlled by or under common control with the applicant has had a federal or state mining permit suspended or revoked in the last five years; nor forfeited a mining bond or similar security deposited in lieu of bond.

(2) **Violation Notices (113.300):**

Attachment A sets forth violation notices received by the applicant and any person who owns or controls applicant in connection with any underground or surface coal mining activities within the last three years.

Right of Entry and Operations Information:

(1) **Right of Entry (114.100):**

Under an Asset Purchase Agreement to be closed in November, 1993, an undivided 50% interest in the Mine and the following interests were conveyed:

Federal Coal Lease Assignments:

Assignment of Federal Coal Lease U-54762 issued to Genwal Coal Company December 1, 1986 and assigned to NEICO and IPA on July 11, 1991.

Assignment of Federal Coal Lease SL-62648, assigned to NEICO and IPA on July 11, 1991 and issued to Genwal Coal Company on December 1, 1986.

Copies of the assignments are on file with the MRP.

State Coal Lease Assignments:

Assignment of Utah State Coal Lease ML-21568, assigned to NEICO and IPA on July 11, 1991.

Assignment of Utah State Coal Lease ML-21569, assigned to NEICO and IPA on July 11, 1991.

Copies of the Assignments are included in the MRP. The Assignments are not subject to pending litigation.

Underground Access Special Use Permit Assignment:

Underground Access Special Use Permit, issued July 20, 1991, to Genwal Coal Company by the Forest Service.

Relationship to Areas Designated Unsuitable for Mining (115):

- (1) The permit area is not within an area or under study as an area designated as unsuitable for mining.
- (2) Applicant does not propose to mine within 300 feet of an occupied building or within 100 feet of a public road.

Permit Term (116):

- (1) Applicant proposes to continue operations under ACT/015/035 consistent with Utah Code Ann. § 40-10-9(2). The schedule of operations is set forth at Plates 5-2a and 5-2b, enclosed.
- (2) The permit term is for five (5) years.

Personal Injury and Property Damage Insurance Information (117.100):

Certificates of Insurance issued to Genwal Coal Company are located in the approved Mining and Reclamation Plan and in the Reclamation Agreement on file with the Division. Enclosed at Attachment B is a letter dated October 21, 1993 which names UEDC as an additional named insured.

322: Newspaper Advertisement and Proof of Publication

1. Notice of this proposed transfer was submitted for publication to the Emery County Progress in Castle Dale, Utah, and in the Sun Advocate in Price, Utah, in substantially the following form. Upon publication, proof will be submitted to the Division pursuant to R645-303-322 as follows:

NOTICE

Notice is hereby given that Genwal Coal Company, who has been and will continue to be the permittee and operator of the Crandall Canyon Mine, has submitted an application to the Division of Oil, Gas & Mining for transfer of the Crandall Canyon Mine, Permit No. ACT/007/032 under the provisions of R645-303-300, an

undivided fifty percent interest in permits rights to the Utah Energy Development Corporation, whose address is 455 South 300 East, 3rd Floor, Salt Lake City, Utah 84111. The permit area is located in Carbon and Emery Counties, Utah, and is described as follows:

Township 15 South, Range 7 East, SLBM

Section 31: SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ Lots 10, 11 and 12
Section 32: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Township 16 South, Range 7 East, SLBM

Section 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$, Lots 2, 3, 4 and 8
Section 6: SE $\frac{1}{4}$ NE $\frac{1}{4}$, Lot 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$)

Township 16 South, Range 6 East, SLBM

Section 2: All

Township 15 South, Range 6 East, SLBM

Section 36: All

Pertinent comments are solicited from anyone affected by this proposal. Such comments should be filed within the next thirty (30) days with:

State of Utah, Department of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
III Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

340: STATEMENT

(1) Genwal agrees to conduct operations covered by the application and/or permit in accordance with the requirements of the Utah Coal Mining & Reclamation Act, implementing regulations and the regulatory program;

(2) Upon final approval of the application, applicant agrees to submit a letter of credit or other acceptable form of surety to secure the reclamation liability of the Crandall Canyon Mine; and

(3) The applicant will conduct the operations in full compliance with the terms and conditions of the application as finally approved, unless and until it has obtained a new permit.

(4) The information contained in this Application is true and correct to the best of my information and belief.

EXECUTED this 8th day of November, 1993 by the undersigned.

GENWAL COAL COMPANY

BY *Allen P. Childs*

ALLEN P. CHILDS
ITS PRESIDENT

STATE OF *Utah*)
COUNTY OF *Emery*) : ss.

On this 8th day of November, 1993, personally appeared before me Allen P. Childs, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn, did say that he is the President of Genwal Coal Company, and that said document was signed by him in behalf of said corporation by authority of its bylaws, and said Allen P. Childs acknowledged to me that said corporation executed the same.

Rosina Saperas
Notary Public
Residing at *Price, Utah*

My Commission Expires:

5-28-97

