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Form 2800-14  
(August 1985)

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Issuing Office  
Little Snake Field Office

Serial Number  
COC074362

**RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT**

1. A (right-of-way) (permit) is hereby granted pursuant to:

- a.  Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761);
- b.  Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185);
- c.  Other (describe) \_\_\_\_\_

2. Nature of Interest:

a. By this instrument, the holder Twentymile Coal Company, 701 Market Street, St. Louis, MO 63101 receives a right to construct, operate, maintain, and terminate a water storage reservoir on public lands (or Federal land for MLA Rights-of-Way) described as follows:

**Routt County, Colorado**  
**Sixth Principal Meridian**  
**T. 5N., R. 85 W., sec. 6, lot 13.**  
**(within)**

- b. The right-of-way or permit area granted herein is N/A feet wide, N/A feet long and contains N/A acres, more or less. If a site type facility, the facility contains 4.300 acres.
- c. This instrument shall terminate on December 31, 2030, 20 years from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
- d. This instrument  may  may not be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
- e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration, or prior termination, of the grant.

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3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations parts 2800 and 2880.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d) or as directed by the authorized officer.
- c. Each grant issued pursuant to the authority of paragraph (1)(a) for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.
- d. The stipulations, plans, maps, or designs set forth in Exhibit(s) A & B, dated October 29, 2010, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- f. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

*T. L. Butts*

(Signature of Holder)

*[Signature]*

(Signature of Authorized Officer)

VILE PRESIDENT - TWENTYMILE CORAL LLC

(Title)

Acting Assistant Field Manager

(Title)

11/12/2010

(Date)

NOVEMBER 24, 2010

(Effective Date of Grant)

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Exhibit A – October 29, 2010  
Stipulations  
COC074362  
Trout Creek Water Storage Reservoir

1. The holder shall construct, operate, and maintain the facilities, improvements, and structures within the permit in strict conformity with the plan(s) of development identified with the application. Any relocation, additional construction, or use that is not in accord with the approved plan(s) of development, shall not be initiated without the prior written approval of the authorized officer. A copy of the complete permit, including all stipulations and approved plan(s) of development, shall be made available on the permit area during construction, operation, and termination to the authorized officer. Noncompliance with the above will be grounds for an immediate temporary suspension of activities if it constitutes a threat to public health and safety or the environment.
2. The holder shall submit, for the authorized officer's review, the designs and plans approved by the Colorado State Engineer (or other appropriate state authority), the US Army Corps of Engineers, and the US Fish and Wildlife Service, prior to beginning construction or other surface disturbing activity. The holder shall not initiate any construction, including recreation facilities or other surface disturbing activities on the right-of-way without the prior written authorization of the authorized officer. Such authorization shall be a written notice to proceed (BLM Form 2800-15) issued by the authorized officer. Any notice to proceed shall authorize construction or use only as therein expressly stated and only for the particular location or use therein described.
3. The Little Snake Field Office will be given 48-hour notification prior to commencing construction and/or reclamation work. Contact the Little Snake Field Office (970) 826-5000 to report when work will commence.
4. Any cultural and/or paleontological (fossil) resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and the authorized officer will make any decision as to proper mitigation measures after consulting with the holder.
5. The operator is responsible for informing all persons who are associated with the operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are encountered or uncovered during any project activities, the operator is to immediately stop activities in the immediate vicinity of the find and immediately contact the authorized officer (AO) (970) 826-5087. Within five working days the AO will inform the operator as to:
  - whether the materials appear eligible for the National Register of Historic Places;
  - the mitigation measures the operator will likely have to undertake before the identified area can be used for project activities again and;
  - If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.
6. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.
7. The grant does not relieve you of your responsibility to obtain other required federal, state, or local permits.
8. The holder(s) shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder(s) shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-

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way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

9. The holder of Right-of-Way No. COC074362 agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C 9601, et seq. or the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901, et seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

10. ROW grant COC074591 issued to YVEA will be amended or terminated prior to the construction, operation, or maintenance of the dam and reservoir being authorized by this right-of-way grant.

11. The holder shall conduct Section 7 Consultation with the U.S. Fish and Wildlife Service prior to the construction, operation, or maintenance of the dam and reservoir being authorized by this right-of-way grant.

12. Construction sites shall be maintained in a sanitary condition at all times; waste materials at those sites shall be disposed of promptly at an appropriate waste disposal site. 'Waste' means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment.

13. No hazardous materials/waste or trash shall be disposed of on the public lands. If a release does occur, it shall be reported to the Little Snake Field Office immediately (970) 826-5000. Any spills will be cleaned up to applicable standards.

14. The holder shall conduct all activities associated with the construction, operation, and termination of the right-of-way within the authorized limits of the right-of-way.

15. The holder shall protect all survey monuments found within the right-of-way. Survey monuments include, but are not limited to, General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U.S. Coastal and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any of the above, the holder shall immediately report the incident, in writing, to the authorized officer and the respective installing authority if known. Where General Land Office or Bureau of Land Management right-of-way monuments or references are obliterated during operations, the holder shall secure the services of a registered land surveyor or a Bureau cadastral surveyor to restore the disturbed monuments and references using surveying procedures found in the Manual of Surveying Instructions for the Survey of the Public Lands in the United States, latest edition. The holder shall record such survey in the appropriate county and send a copy to the authorized officer. If the Bureau cadastral surveyors or other Federal surveyors are used to restore the disturbed survey monument, the holder shall be responsible for the survey cost.

16. The holder shall comply with the construction practices and mitigating measures established by 33 CFR 323.4, which sets forth the parameters of the "nationwide permit" required by Section 404 of the Clean Water Act. If the proposed action exceeds the parameters of the nationwide permit, the holder shall obtain an individual permit from the appropriate office of the Army Corps of Engineers and provide the authorized officer with a copy of same. Failure to comply with this requirement shall be cause for suspension or termination of this right-of-way grant.

17. Within 30 days of completion, the holder will submit to the authorized officer, as-built drawings and a certification of construction verifying that the facility has been constructed (and tested) in accordance with the design, plans, specifications, and applicable laws and regulations.

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18. The United States, its officers and employees shall be held harmless from and indemnified against any damage, injury, or liability resulting from the construction, operation, or maintenance of the dam and reservoir being authorized by this right-of-way grant; including but not limited to any liability which the United States may have as owner of the land which is the subject of the right-of-way grant.

19. Utilize the "One Call" system to locate and stake the centerline and limits of all underground facilities in the area of proposed excavations.

20. Provide 48 hour notification to the owner/operator of facilities prior to performing any work within 10 feet of buried or above ground pipelines.

21. The authorized officer may suspend or terminate this right-of-way grant if the holder is unwilling, unable or has failed to comply with the applicable laws or regulations, or any term condition or stipulation of this grant, or has abandoned the right-of-way. Failure of the holder to use the right-of-way for the purposes authorized for any continuous five-year period shall constitute a presumption of abandonment.

22. The holder will provide the authorized officer with a statement commencing on the fifth year from the date of this right-of-way grant and every five years thereafter, that the holder is using the right-of-way for the purposes authorized herein in accordance with the terms of this grant.

23. Control of noxious weeds will be required through successful vegetation establishment and/or herbicide application. It is the responsibility of the lease operator to insure compliance with all local, state, and federal laws and regulations, as well as labeling directions specific to the use of any given herbicide.

24. A Pesticide Use Proposal (PUP) will be approved prior to application of herbicides and/or other pesticides on Federal surface; contact the Little Snake Field Office to obtain a PUP form to request this authorization. Submit the PUP two (2) months in advance of planned application. In the event you elect to apply herbicide or other pesticide as described and authorized on the approved PUP, you must report this use within 24 hours on Bureau of Land Management form titled Pesticide Application Record.

25. RECLAMATION:

The holder is required to use the reclamation practices necessary to reclaim all disturbed areas. Reclamation will ensure surface and subsurface stability, growth of self-generating, permanent, vegetative cover and compatibility with post land use. The vegetation will be diverse and of the same seasonal growth as adjoining vegetation. Post land use will be determined by the authorized officer but normally will be the same as adjoining uses.

Reclamation practices which must be applied or accomplished are: re-grading to the approximate original contour, effectively controlling noxious weeds, separating, storing and protecting topsoil for redistribution during final abandonment, seeding and controlling erosion. If topsoil is not present, or quantities are insufficient to achieve reclamation goals, a suitable plant growth media will be separated, stored and protected for later use. Reclamation will begin with the salvaging of topsoil and continue until the required standards are met. If use of the disturbed area is for a short time (less than one year), practices, which ensure stability, will be used as necessary during the project, and practices needed to achieve final abandonment will commence immediately upon completion of the approved activity use and be completed, with the exception of vegetative establishment, within one year.

If use of the area is for longer periods of time (greater than one year), interim reclamation is required on the unused areas. Interim reclamation of the unused areas will begin immediately upon completion of the permanent facility(s) and be completed, with exception of vegetative establishment, within one year. For both short and long term projects vegetative establishment will be monitored annually. If the desired vegetation is not established by the end of the second growing season, cultural practices necessary for establishment will be implemented prior to the beginning of the next growing season. Interim reclamation, unless otherwise approved, will require meeting the same standards as final abandonment with the exception of original contour, which may be only partially achievable.

Annual reports consisting of reclamation practices completed and the effectiveness of the reclamation will be provided to the Little Snake Field Office. The first report will be due in January following initiation of reclamation practices and annually thereafter until final abandonment is approved.

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There are numerous reclamation practices and techniques that increase the success rate of reclamation and stabilization. With the exception of those stated above, it is the lessee's prerogative to use those (s)he chooses to accomplish the objective. However, it is recommended that state-of-the-art reclamation, stabilization, and management practices be used to achieve the desired objective in a timely and cost-effective manner.

The following definitions and measurements will be used to accomplish and determine if reclamation has been achieved:

Permanent vegetative cover will be accomplished if the basal cover of perennial species, adapted to the area, is at least ninety (90) percent of the basal cover of the undisturbed vegetation of adjoining land or the potential basal cover as defined in the Soil Conservation Service Range Site(s) for the area.

Diverse will be accomplished if at least two (2) perennial genera and three (3) perennial species, adapted to the area, make up the basal cover of the reclaimed area in precipitation zones thirteen (13) inches or less and three (3) perennial genera and four (4) perennial species in precipitation zones greater than thirteen (13) inches. One species will not make up more than fifty (50) percent of the perennial vegetation by basal cover.

Self-regenerating and adapted to the area will be evident if the plant community is in good vigor, there is evidence of successful reproduction, and the species are those commonly used and accepted in the area.

Surface stability will be accomplished if soil movement, as measured by deposits around obstacles, depths of truncated areas, and height of pedestalling, is not greater than three tenths (0.3) of an inch and if erosion channels (rills, gullies, etc.) are less than one (1) inch in depth and at intervals greater than ten (10) feet.

If this standard is not met by the end of the second growing season, two alternatives exist depending on the severity of the erosion:

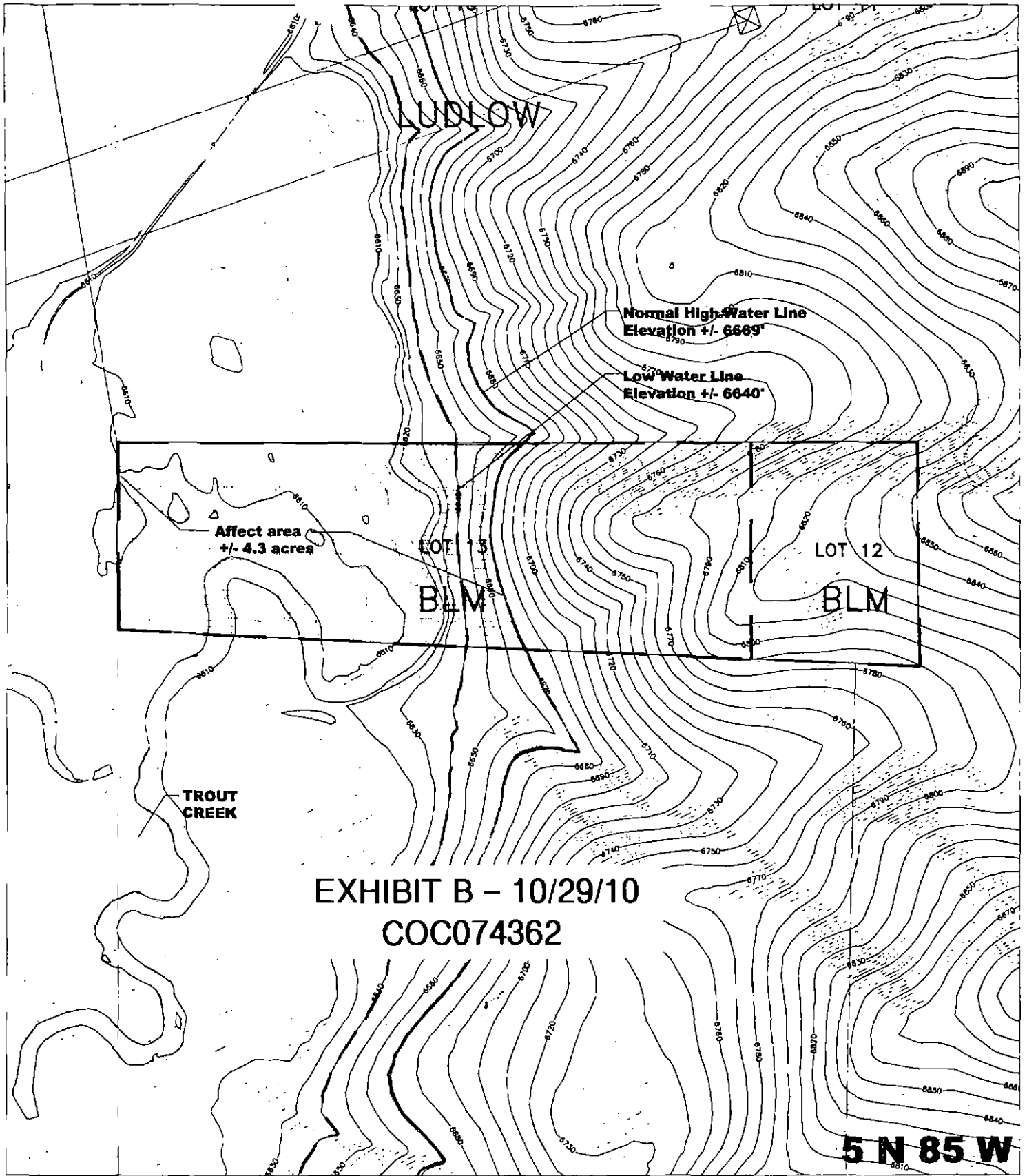
If erosion were greater than two (2) times the allowable amount, corrective action would have to be taken by the responsible company at that time.

If erosion is less than or equal to two (2) times the allowable amount, and it is determined the erosion occurred during vegetative establishment and the site may become stable, no corrective action would be required at that time. Another check (and measurement) would be performed a year later to determine if stability standards had been met. If the original measurements have not increased by more than the allowed standard, the standard would be considered met. However, if the increase were greater than the allowed standard, corrective action would be required.

Subsurface stability (mass wasting event) is of concern if disturbance has included excavation over four (4) feet in depth and greater than 10,000 square feet in area on slopes thirty five (35) percent and greater, or on any erosion-prone slope (Danforth Hills, Vermillion Bluffs, and badland areas). When these conditions occur, length of liability for reclamation and final abandonment will continue for ten (10) years following re-contouring to original contour or for such time that climatic patterns provide two (2) consecutive years in which measurable precipitation totals at least 120 percent of average from October 1 through September 30, as measured by data averaged from nearby regional weather stations.

The Authorized Officer may waive this stipulation, or portions of it. Such waiver will be documented and justified when not applicable, or when objectives are accomplished through another method.

26. Prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a pretermination conference. This conference will be held to review the termination provisions of the permit.



# TWENTYMILE COAL, LLC

Energy Fuels Reservoir No 2 Water Right  
Date : Feb 19, 2010

