

UNITED STATES
DEPARTMENT OF THE INTERIOR

This mining plan approval document is issued by the United States of America to:

Mountain Coal Company, LLC
5174 Highway 133
Somerset, CO 81434

for a mining plan modification for Federal Leases COC-1362 and COC-67232 at the West Elk Mine. This mining plan approval supplements all previous mining plan approvals for the West Elk Mine. The approval is subject to the following conditions. Mountain Coal Company, LLC is hereinafter referred to as the operator.

1. Statutes and Regulations: This mining plan approval is issued pursuant to Federal Leases COC-1362 and COC-67232; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan approval is subject to all applicable laws and regulations of the Secretary of the Interior which are now or hereafter in force; and all such laws and regulations are made part hereof. The operator shall comply with the provisions of the Federal Water Pollution and Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other applicable Federal laws.
2. This document approves the mining plan modification for Federal Leases COC-1362 and COC-67232 at the West Elk Mine and authorizes coal development or mining operations on the Federal leases within the area of mining approval. This authorization expands the approved mining plan area into the following Federal coal lands:

COC-1362:

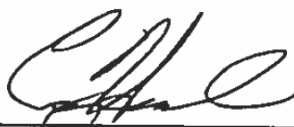
Sixth Principal Meridian,
Colorado T. 14 S., R. 90 W.,
Sec. 10, NE1/4 SW1/4, and SE1/4;
Sec. 11, S1/2 NW1/4, and SW1/4;
Sec. 14, NE1/4 NW1/4, NW1/4 NW1/4, SW1/4 NW1/4, W1/2 SE1/4
NW1/4, W1/2 NE1/4 SW1/4, and NW1/4 SW1/4;
Sec. 15, E1/2 NE1/4, and N1/2 SE1/4.

COC-67232:

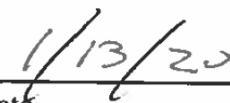
Sixth Principal Meridian, Colorado T. 14 S., R. 90 W.,
Sec. II, SW1/4 NE1/4, W1/2 S1/4, and SE1/4 SE1/4;
Sec. 14, NE1/4, E1/2 SE1/4 NW1/4, E1/2 NE1/4 SW1/4, S1/2 SW1/4, and
SE1/4; Sec. 15, SE1/4 SE1/4;
Sec. 22, E1/2 NE1/4;
Sec. 23, NW1/4 NE1/4, and NW1/4.

These lands in Federal Leases COC-1362 and COC-67232 encompass 1,720 acres and are found on the United States Geological Service 7.5 minute Quadrangle map of Bowie, Somerset and Minnesota Pass, as shown in the map appended hereto as Attachment A.

3. The operator shall conduct coal development or mining operations only as described in the complete permit application package, and approved by the Colorado Division of Reclamation, Mining and Safety, except as otherwise directed in any conditions of this mining plan approval.
4. The operator shall comply with the terms and conditions of the lease including all lease stipulations, this mining plan approval, and the requirements of Colorado Permit C-1980-007 issued under the Colorado State Program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).
5. This mining plan approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, canceled, or withdrawn.
6. If, during mining operations, unidentified prehistoric resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify the Colorado Division of Reclamation, Mining and Safety and the Office of Surface Mining Reclamation and Enforcement. The operator shall take such actions as are required by the Colorado Division of Reclamation, Mining and Safety in coordination with the Office of Surface Mining Reclamation and Enforcement.
7. The Secretary retains jurisdiction to modify or cancel this approval, as required, on the basis of further consultation with the U.S. Fish and Wildlife Service pursuant to section 7 of the Endangered Species Act, as amended, 16 U.S.C. § 1531 et seq.



Casey Hammond
Acting Assistant Secretary,
Land and Minerals Management



Date

Attachment