

WHEN RECORDED, MAIL TO:

Brian W. Burnett, Esq.
CALLISTER NEBEKER & McCULLOUGH
Gateway Tower East Suite 900
10 East South Temple
Salt Lake City, Utah 84133

00059555 BK00387 Pg00059-00068

ANN B. O'BRIEN-COUNTY OF CARBON
1997 APR 15 16:47 PM FEE \$29.00 BY
REQUEST: SOUTH EASTERN UTAH TITLE CO

GRANT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

KENNETH A. RUSHTON, in his capacity as Chapter 7 Trustee of **SUNNYSIDE COAL COMPANY** ("GRANTOR"), the debtor in In re Sunnyside Coal Company, Case No. 94-12794 CEM pending in the United States Bankruptcy Court for the District of Colorado, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants and conveys to **SUNNYSIDE COGENERATION ASSOCIATES**, a Utah joint venture, whose address is P.O. Box 10, East Carbon, Utah 84520, its successors and assigns, and any of their respective employees, invitees, agents, tenants, servants, visitors, and licensees ("GRANTEE"), a perpetual easement for a right-of-way for water pipeline facilities including pipes, valves and related equipment with the right, privilege and authority to construct, operate, maintain, replace, and repair said facilities under, over and across the described real property located in Carbon County, Utah, described on Exhibit "A" attached hereto and by this reference made a part hereof ("EASEMENT") for the transportation of water for Sunnyside Cogeneration Associates and others.

This EASEMENT is for the use and benefit of and to secure access to and the distribution of water from the following described real property situated in Carbon County, State of Utah:

**WELL SITE
SUNNYSIDE COGENERATION ASSOCIATES**

In Section 17, Township 14 South Range 14 East, Salt Lake Base and Meridian:

BEGINNING at a point being South 2027.0 feet and West 2704.6 feet from the Northeast corner of Section 17, Township 14 South Range 14 East, Salt Lake Base and Meridian and Running thence; North 30° 51' 53" East 298.83 feet; thence North 65° 29' 32" East 361.39 feet; thence South 49° 46' 31" East 37.83 feet to the Northwesterly edge of Water Canyon Road; thence (along that edge for the next four calls) South 43° 42' 57"

West 173.61 feet; thence South 28° 45' 45" West 143.14 feet; thence South 26° 24' 26" West 169.85 feet; thence South 22° 58' 53" West 110.97 feet; thence North 58° 46' 17" West 237.74 feet to the Point of Beginning.

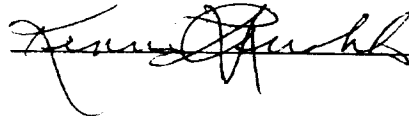
Area: 99,898 sq. ft. 2.29 acres

GRANTOR'S conveyance is in accord with the Order dated September 24, 1996 in In re Sunnyside Coal Company, Case No. 94-12794 CEM pending in the United States Bankruptcy Court for the District of Colorado ("Order") which Order authorizes and provides for GRANTOR'S sale and conveyance of said Easement to GRANTEE "free and clear of all liens, encumbrances, and interests, including the lien of the Utah Division of Oil, Gas, and Mining", except as set forth in the Order, a copy of which is attached hereto and incorporated by reference herein.

DATED this 20th day of March, 1997

GRANTOR

KENNETH A. RUSHTON, in his capacity as Chapter 7 Trustee of Sunnyside Coal Company



STATE OF UTAH)
) ss.
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 20th day of March, 1997, by Kenneth A. Rushton, in his capacity as Chapter 7 Trustee of Sunnyside Coal Company.



My Commission Expires:

March 4, 2001



NOTARY PUBLIC

Residing At:

Salt Lake City, UT

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EXHIBIT A**WATERLINE EASEMENT
SUNNYSIDE COGENERATION ASSOCIATES**

waterline easement
See map - 20' wide
See map - 20' wide

In Sections 6 and 5, Township 15 South Range 14 East, and Sections 32, 29, 20 and 17, Township 14 South Range 14 East, Salt Lake Base and Meridian:

An Easement for the purpose of building and maintaining a waterline, to be 20 feet in width, the centerline of which is described as follows:

BEGINNING at a point near SCA Reservoir, said point being South 3835.42 feet and West 3316.59 feet from the Northeast corner of Section 6, Township 15 South Range 14 East, Salt Lake Base and Meridian and Running thence;

North 49° 21' 48" East 123.14 feet; thence
 North 02° 55' 48" East 193.83 feet; thence
 North 00° 11' 13" West 169.09 feet; thence
 North 12° 52' 32" East 203.20 feet; thence
 North 75° 24' 40" West 211.53 feet; thence
 North 76° 38' 56" West 209.54 feet; thence
 North 88° 03' 41" West 209.14 feet; thence
 North 87° 29' 48" West 213.03 feet; thence
 South 47° 30' 05" West 45.17 feet to a point on the East Carbon Reservoir
 (retracing previous 5 calls); thence
 North 47° 30' 05" East 45.17 feet; thence
 South 87° 29' 48" East 213.03 feet; thence
 South 88° 03' 41" East 209.14 feet; thence
 South 76° 38' 56" East 209.54 feet; thence
 South 75° 24' 40" East 211.53 feet; thence
 North 26° 20' 41" East 75.82 feet; thence
 North 32° 11' 24" East 142.69 feet; thence
 North 31° 36' 09" East 111.96 feet; thence
 North 36° 11' 50" East 143.45 feet; thence
 North 45° 35' 30" East 91.81 feet; thence
 North 17° 50' 22" East 29.44 feet; thence
 North 20° 39' 16" East 60.87 feet; thence
 South 41° 40' 30" West 35.13 feet; thence
 South 26° 35' 08" West 56.45 feet which point is 15 feet beyond the end of
 drain line into Grassy Trail Creek (retracing previous 2 calls); thence
 North 26° 35' 08" East 56.45 feet; thence
 North 41° 40' 30" East 35.13 feet; thence
 North 31° 17' 41" East 29.84 feet; thence
 North 80° 46' 22" East 109.30 feet; thence
 North 85° 48' 27" East 218.20 feet; thence

WATERLINE EASEMENT
SUNNYSIDE COGENERATION ASSOCIATES
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North 76° 37' 42" East 202.59 feet; thence
North 59° 12' 53" East 21.01 feet; thence
North 74° 47' 05" East 180.87 feet; thence
North 72° 33' 05" East 207.75 feet; thence
North 70° 36' 11" East 201.82 feet; thence
North 69° 13' 26" East 200.33 feet; thence
North 70° 05' 05" East 197.58 feet; thence
North 68° 17' 50" East 190.95 feet; thence
North 71° 47' 31" East 204.18 feet; thence
North 65° 17' 33" East 209.07 feet; thence
North 59° 04' 48" East 206.98 feet; thence
North 43° 11' 54" East 125.69 feet; thence
North 37° 32' 01" East 212.99 feet; thence
North 34° 39' 07" East 215.01 feet; thence
North 35° 44' 41" East 209.50 feet; thence
North 31° 28' 30" East 162.54 feet; thence
North 35° 36' 18" East 187.14 feet; thence
North 36° 04' 11" East 211.66 feet; thence
North 35° 28' 13" East 205.62 feet; thence
North 36° 06' 35" East 210.36 feet; thence
North 34° 27' 38" East 203.45 feet; thence
North 33° 17' 46" East 200.58 feet; thence
North 23° 02' 45" East 217.18 feet; thence
North 27° 22' 51" West 85.87 feet; thence
North 02° 37' 32" West 62.27 feet; thence
North 30° 10' 04" East 46.25 feet; thence
North 29° 16' 10" East 113.77 feet; thence
North 25° 03' 38" East 197.55 feet; thence
North 27° 49' 24" East 171.48 feet; thence
North 37° 56' 22" East 200.40 feet; thence
North 47° 40' 25" East 192.18 feet; thence
North 57° 29' 50" East 211.71 feet; thence
North 71° 56' 20" East 193.49 feet; thence
North 78° 43' 04" East 195.99 feet; thence
North 69° 46' 17" East 282.93 feet; thence
North 46° 32' 02" East 124.60 feet; thence
North 52° 09' 09" East 243.29 feet; thence
North 27° 09' 12" East 203.31 feet; thence
North 63° 50' 32" East 96.26 feet; thence
North 22° 15' 56" East 129.17 feet; thence
North 16° 36' 10" East 202.70 feet; thence
North 16° 51' 44" East 195.02 feet; thence

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 SUNNYSIDE COGENERATION ASSOCIATES
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North 06° 50' 07" East	64.27	feet; thence
North 03° 13' 26" West	181.64	feet; thence
North 04° 53' 46" West	160.45	feet; thence
North 10° 11' 38" West	189.54	feet; thence
North 15° 20' 32" West	203.67	feet; thence
North 14° 22' 51" West	205.09	feet; thence
North 03° 31' 46" East	201.30	feet; thence
North 09° 14' 15" East	218.95	feet; thence
North 10° 45' 49" East	219.28	feet; thence
North 08° 03' 57" East	213.95	feet; thence
North 11° 23' 40" East	226.27	feet; thence
North 15° 01' 55" East	216.55	feet; thence
North 16° 20' 11" East	218.69	feet; thence
North 18° 22' 04" East	108.39	feet; thence
North 35° 41' 09" East	202.75	feet; thence
North 31° 46' 11" East	203.56	feet; thence
North 10° 01' 40" East	207.45	feet; thence
North 06° 49' 05" East	209.01	feet; thence
North 06° 21' 55" East	214.28	feet; thence
North 04° 43' 02" East	213.66	feet; thence
North 05° 03' 59" East	206.80	feet; thence
North 16° 29' 45" East	76.32	feet; thence
North 11° 09' 11" East	97.72	feet; thence
North 18° 23' 05" East	219.33	feet; thence
North 18° 07' 29" East	222.03	feet; thence
North 18° 18' 51" East	226.63	feet; thence
North 17° 37' 24" East	213.22	feet; thence
North 16° 59' 03" East	212.89	feet; thence
North 16° 46' 31" East	251.94	feet; thence
North 15° 03' 53" East	205.71	feet; thence
North 60° 31' 15" East	39.26	feet; thence
North 03° 57' 03" East	217.82	feet; thence
North 06° 36' 52" West	210.93	feet; thence
North 04° 40' 56" West	217.47	feet; thence
North 01° 25' 09" West	194.83	feet; thence
North 04° 56' 51" East	224.16	feet; thence
North 02° 03' 36" East	204.64	feet; thence
North 03° 45' 24" West	221.58	feet; thence
North 06° 25' 57" West	222.63	feet; thence
North 07° 09' 22" West	215.03	feet; thence
North 11° 53' 19" West	217.48	feet; thence
North 15° 20' 19" West	71.41	feet; thence

WATERLINE EASEMENT
 SUNNYSIDE COGENERATION ASSOCIATES
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North 28° 49' 47" West 198.38 feet; thence
 North 41° 38' 00" West 183.23 feet; thence
 North 41° 40' 22" West 236.10 feet; thence
 North 31° 31' 24" West 188.68 feet; thence
 North 00° 47' 45" East 143.68 feet; thence
 North 09° 46' 18" East 162.49 feet; thence
 North 15° 35' 51" East 159.21 feet; thence
 North 05° 17' 48" East 254.91 feet; thence
 North 10° 58' 57" West 184.58 feet; thence
 North 14° 16' 02" West 193.60 feet; thence
 North 14° 35' 56" West 253.28 feet; thence
 North 13° 36' 17" West 199.39 feet; thence
 North 14° 03' 13" West 245.73 feet; thence
 North 14° 09' 16" West 248.25 feet; thence
 North 13° 46' 57" West 246.43 feet; thence
 North 13° 53' 40" West 247.44 feet; thence
 North 12° 54' 07" West 214.19 feet; thence
 North 13° 52' 55" West 176.86 feet; thence
 North 13° 14' 35" West 218.98 feet; thence
 North 48° 49' 54" West 175.66 feet; thence
 North 54° 43' 50" West 140.43 feet; thence
 North 55° 11' 52" West 308.38 feet; thence
 North 62° 20' 57" West 195.99 feet; thence
 North 62° 41' 59" West 197.21 feet; thence
 North 27° 18' 01" East 34.24 feet to a point 15 feet beyond a stand pipe
 (retracing previous call); thence
 South 27° 18' 01" West 34.24 feet; thence
 North 64° 09' 20" West 242.75 feet; thence
 North 57° 44' 32" West 208.16 feet; thence
 North 61° 57' 54" West 160.11 feet; thence
 North 49° 06' 18" West 105.09 feet; thence
 North 39° 08' 20" West 109.99 feet; thence
 North 39° 11' 44" West 86.70 feet; thence
 North 25° 53' 09" West 64.82 feet; thence
 North 05° 53' 39" East 49.01 feet; thence
 North 11° 22' 32" East 81.44 feet; thence
 North 30° 48' 18" West 37.68 feet; thence
 North 26° 04' 25" West 33.93 feet; thence
 South 16° 37' 24" West 64.13 feet to a point being 15 feet beyond the end
 of drain line into upper section of Grassy Trail Creek (retracing previous call);
 thence
 North 16° 37' 24" East 64.13 feet; thence

**WATERLINE EASEMENT
SUNNYSIDE COGENERATION ASSOCIATES
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North 14° 39' 39" East 13.55 feet; thence
North 17° 05' 00" East 171.21 feet; thence
North 10° 02' 28" East 208.69 feet; thence
North 12° 19' 22" East 204.89 feet; thence
North 04° 08' 27" East 104.40 feet; thence
North 49° 46' 29" East 31.14 feet; thence
North 43° 04' 38" East 39.59 feet; thence
North 18° 38' 47" East 145.40 feet; thence
North 20° 34' 01" East 198.14 feet; thence
North 25° 31' 31" East 115.09 feet; thence
North 30° 56' 50" East 161.75 feet; thence
North 26° 43' 46" East 207.53 feet; thence
North 30° 54' 51" East 184.35 feet; thence
North 32° 06' 16" East 197.30 feet; thence
North 34° 53' 08" East 190.74 feet; thence
North 34° 51' 15" East 81.67 feet; thence
North 35° 11' 23" East 199.34 feet; thence
North 42° 16' 02" East 236.11 feet; thence
North 32° 48' 29" East 112.64 feet; thence
North 25° 16' 32" East 196.15 feet; thence
North 29° 58' 43" East 175.77 feet; thence
North 21° 20' 10" East 203.01 feet; thence
North 27° 27' 36" East 91.80 feet; thence
North 26° 50' 22" East 203.35 feet; thence
North 27° 58' 48" East 104.58 feet; thence
North 34° 38' 57" East 147.83 feet; thence
North 26° 49' 02" East 86.47 feet; thence
North 17° 05' 27" East 213.28 feet; thence
North 11° 32' 13" East 135.71 feet; thence
North 05° 45' 56" East 35.17 feet to a point of terminus.

Said point being on the Property line of Sunnyside Cogeneration Associates Well Site, being South 2066.60 feet and West 2465.82 feet from the Northeast corner Section 17 Township 14 South Range 14 East, Salt Lake Base and Meridian.

Excepting therefrom: any portion lying within UDOT Right-of-way.

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SEP 24 1996
U.S. BANKRUPTCY COURT
DISTRICT OF COLORADO

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re:)
SUNNYSIDE COAL COMPANY,)
Debtor.)

CASE NO. 94-12794 CEM

Chapter 7

**ORDER RESPECTING TRUSTEE'S MOTION FOR APPROVAL OF TRANSFER
OF PROPERTY FREE AND CLEAR OF CLAIMS ENCUMBRANCES AND
INTERESTS PURSUANT TO CLOSING OF WATER SALE AGREEMENTS**

This matter is before the Court on the motion (the "Motion") of Kenneth A. Rushton, the Chapter 7 trustee appointed in this case (the "Trustee"), pursuant to 11 U.S.C. §§ 105 and 363, and 506 to enter an Order approving the transfer of certain water rights and land and the granting of easements as set forth below and in the exhibits attached hereto in accordance and in conjunction with an earlier order of this court approving an agreement ("Water Sale Agreement") selling water right #91-231 to Sunnyside Cogeneration Associates ("SCA"). The Court, having reviewed the Motion and the objection filed thereto by Sierra Drilling Inc. and finding that the Trustee has withdrawn the portion of this motion affecting the interests of Sierra Drilling Inc., and finding that no other objections have been filed to the Motion, and taking notice of the file in the case, finds that it is appropriate to grant the Motion with the reservations of rights as set forth below.

IT IS THEREFORE ORDERED that, pursuant to the terms of the Water Sale Agreement, the Trustee may transfer water rights and real property to SCA as more particularly described below and in the specified exhibits:

- a. Water Right #91-231, by quit claim deed, a form of which is attached as Exhibit 1 to the Motion;
- b. Fee simple title to approximately 2.29 acres surrounding the well sites developed by SCA in water canyon; to be conveyed by quit claim deed, a form of which is attached as Exhibit 2 to the Motion;
- c. A 20 foot easement across Sunnyside Coal Company's property to allow access to an underground water pipeline connecting the well sites with SCA's plant site; conveyed by quit claim deed, a form of which is attached as Exhibit 3 to the Motion.


THE COURT FURTHER ORDERS that the transfer of property as set forth in Exhibits 1 through 3 shall be free and clear of all liens, encumbrances, and interests, including the lien of the Utah Division of Oil, Gas and Mining, with valid liens to attach to the proceeds of the sale except that the transfer of the property identified above and in Exhibits 1

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through 3 attached to the Motion shall not be sold free and clear of the lien asserted by Sierra Drilling but, rather, the property shall be sold subject to the lien, if any valid lien exists, asserted by Sierra Drilling against such property.

DATED this 24th day of September, 1996.

BY THE COURT


Charles E. Matheson
Chief Bankruptcy Judge

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I hereby attest and certify on 12-11-96
that the foregoing/affixed document(s) hereto
is/are a full, true and correct copy of the
original on file in my office and in my
legal custody.
Clerk U.S. Bankruptcy Court
District of Colorado
By Bruce T. Nason
Deputy Clerk

Notice sent to:

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9-24-96
[Signature]

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