



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N. SKYLINE DR., SUITE A, IDAHO FALLS, ID 83402-1718

PHONE: (208) 525-7161 FAX: (208) 525-7177 WEB SITE: www.idwr.state.id.us

EASTERN REGION

November 3, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

NU-WEST MINING INC
ATTN: ARIANNA
3010 CONDA RD
SODA SPRINGS ID 83276

RE: Notice of Change of Water Right Ownership (NCO) for 27-2165, 27-2176, 27-7059, 27-7302 and Notice of Completed Administrative Proceeding (NCAP)

Dear Sir/Madam:

On October 16, 2006, the Idaho Department of Water Resources (IDWR) received an NCO changing the right holder for the above referenced water right(s). Based on this NCO, IDWR water right records for the Snake River Basin Adjudication (SRBA) have been updated.

Furthermore, as directed by the SRBA Court, this office mailed a copy of the updated water right record(s) to each party listed on the enclosed NCAP. The intent of this mailing is to ensure each party has a current record of water right(s) as recorded in the SRBA.

Please feel free to contact me if you have any questions concerning this matter.

Respectfully,

Jennifer Crabtree
Technical Records Specialist

Enclosure

cc: Conda Partnership

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA)

Water Rights: 27-2165, 27-2176, 27-
7059, 27-7302

Case No. 39576)

**NOTICE OF COMPLETED
ADMINISTRATIVE
PROCEEDING**

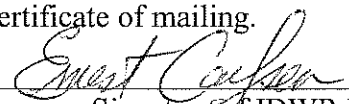
IDWR has completed the following Administrative proceeding:

- ☐ Address change
- ☒ Substitution of Party CONDA PARTNERSHIP – NU-WEST MINING
- ☐ I.C. § 42-222 transfer
 - ☐ point of diversion ☐ place of use
 - ☐ period of use ☐ nature of use
 - ☐ split of water right ☐ change in ownership

IDWR certifies that it has completed its investigation into the changes to the elements of the water rights listed above as set forth in the attached *Amended Director's Reports* for said water rights. No other changes have been made to the elements of these water rights except as set forth above.

IDWR has served copies of the *Notice of Completed Administrative Proceeding* and *Amended Director's Report(s)* on the claimant(s), prior claimant(s) and all parties in the subcases affected, if any, as reflected on the attached certificate of mailing.

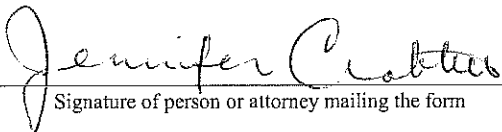
DATED: Oct 31, 2006


Signature of IDWR Representative

CERTIFICATE OF MAILING

I certify that on Nov 3rd, 2006, I mailed the original and copies of this form to the following persons, postage prepaid by regular mail and addressed as follows:

1. Original to:
Clerk of the District Court
Snake River Basin Adjudication
PO Box 2707
Twin Falls ID 83303-2707
2. One copy to:
Claimant/Seller for Substitution of Party or attorney of record:
ATTN: JON GOODE
CONDA PARTNERSHIP
3010 CONDA RD
SODA SPRING ID 83276
3. One copy to:
Claimant/Purchaser for Substitution of Party, or attorney of record:
ATTN: ARIANNA
NU-WEST MINING INC
3010 CONDA RD
SODA SPRINGS ID 83276
4. One copy to:
Each party in the subcase, or attorney of record
JEANETTE WOLFLEY
202 N ARTHUR
POCATELLO ID 83204
5. One copy each to:
Chief Natural Resources Division
Office of the Attorney General
PO Box 44449
Boise ID 83711-4449
6. One Copy to:
United States Dept of Justice
Environment & Natural Resource Div
550 West Fort Street MSC 033
Boise ID 83724



Signature of person or attorney mailing the form

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

RECEIVED

JUL 26 2006

Department of Water Resources
Eastern Region

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
NCAP no fee 27-7302					
NCAP no fee 27-7059					
NCAP no fee 27-2176					
NCAP no fee 27-2165					
\$25 - 27-7440					

OK
JC

2. The following **REQUIRED** information must be submitted with this form:

A. The appropriate **FILING FEE**. See instructions for fee amounts. **\$25**

B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.

C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).

OR

If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) Conda Partnership (attn: Jon Goode)
3010 Conda Road, Soda Springs, ID 83276
4. New Owner/Claimant(s) Nu-West Mining, Inc. Attn: Jon Goode,
 Name Connector (Check one): ☐ and, ☐ or, ☐ and/or Dan Kling
3010 Conda Road
- New Mailing Address _____
- City, State and ZIP Code Soda Springs, ID 83276
- New Telephone Number () 208-547-4381 *Attn: dri*
5. Date you acquired the property 2/21/95

RECEIVED

OCT 16 2006

Department of Water Resources
Eastern Region

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s) _____
(include title if applicable)

Jon Goode, Controller

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by _____	Date _____	Fee <u>\$25 -</u>
Receipted by <u>CB</u>	Date <u>7-31-06</u>	Receipt No. <u>B000018</u>
Processed by _____	AJ Date _____	WR _____ Date _____

WARRANTY DEED

FOR VALUE RECEIVED, CONDA PARTNERSHIP, an Idaho general partnership ("Grantor"), hereby grants, bargains, sells and conveys unto NU-WEST MINING, INC., a Delaware corporation ("Grantee"), whose current address is 8400 East Prentice Avenue, Suite 1320, Englewood, Colorado 80111, the following real property located in the County of Caribou, State of Idaho, to-wit:

As more fully described in Exhibit A attached hereto and incorporated herein by reference

To have and to hold the premises with their appurtenances unto said Grantee, its successors and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee that Grantor is the owner in fee simple of said premises, and that said premises are free from all encumbrances except general taxes and assessments for the year 1995 and subsequent years, and except as set forth on Exhibit B hereto, and that Grantor will warrant and defend the same from all lawful claims whatsoever.

IN WITNESS WHEREOF, Grantor has caused this deed to be executed in its partnership name this 3rd day of August, 1995.

CONDA PARTNERSHIP, an
Idaho general partnership

By its general partners:

Nu-West Industries, Inc., a
Delaware corporation

By [Signature]
Name: STEVEN W. GARDNER
Title: VICE PRESIDENT
Hereunto Duly Authorized

Nu-West Mining, Inc., a
Delaware corporation

By [Signature]
Name: STEVEN W. GARDNER
Title: VICE PRESIDENT
Hereunto Duly Authorized

STATE OF IDAHO } ss. **150511**
County of Caribou }

I hereby certify that this instrument was filed at the request
of Caribou Title
at 12:07 o'clock P in this 3rd day of
August, 1995 in my office and duly
recorded in Microfilm Records
Recorder: Edie Izatt
Denise Hawley
Ex-Officio Recorder Deputy 3900

STATE OF Colorado
)
) ss.
)
 COUNTY OF Denver

On this 3rd day of August, 1995, before me,
Stephanie Anderson, a Notary Public, personally appeared
Steven W. Garpp, known or proved to me to be the
Vice President of Nu-West Mining, Inc., a Delaware
 corporation, which corporation is a general partner of Conda
 Partnership, an Idaho general partnership, and acknowledged to me
 that he executed the foregoing instrument on behalf of Nu-West
 Mining, Inc. as a general partner of Conda Partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and
 affixed my official seal the day and year in this certificate
 first above written.

Stephanie Anderson
 Notary Public
 Residing at 370 17th St Denver CO 80202
 Comm. expires 3/22/96

STATE OF Colorado
)
) ss.
)
 COUNTY OF Denver

On this 3rd day of August, 1995, before me,
Stephanie Anderson, a Notary Public, personally appeared
Steven W. Garpp, known or proved to me to be the
Vice President of Nu-West Mining, Inc., a Delaware
 corporation, a general partner of Conda Partnership, an Idaho
 general partnership, the partnership that executed the instrument
 or the person who executed the instrument on behalf of said
 partnership, and acknowledged to me that such corporation
 executed the same as general partner on behalf of said
 partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and
 affixed my official seal the day and year in this certificate
 first above written.

Stephanie Anderson
 Notary Public
 Residing at 370 17th St, Denver, Co 80202
 Comm. expires 3/22/96

EXHIBIT A

(Nu-West Mining, Inc. Caribou County - Dry Valley Mine)

LEGAL DESCRIPTION

Tract VI:

Township 8 South, Range 44 East of the Boise Meridian:

Section 4: SEX.

Section 9: NEX. ALSO, a tract of land located in the NEXSEX of Section 9, aforesaid, being more particularly described as follows:

Beginning at the Southeast corner of the NEX of said Section 9, and running
thence along the East of said Section, South 0°02' East a distance of 769.21 feet;
thence South 89°54' West a distance of 134.19 feet;
thence North 26°18' West a distance of 830.17 feet, to a point in the mid-section line of said Section 9;
thence along said mid-section line North 89°54' East a distance of 316.29 feet,
to the point of beginning.

Sections 4: ALSO, a strip of land 89.5 feet in width on the West side

(Continued)

5 and 9: of and a strip of land 59.5 feet in width on the East side of the centerline of a right of way over and across the NW¼ of Section 9, SW¼SW¼ of Section 4, and the SE¼ of Section 5, said right of way being on each side, as aforesaid, of the following centerline:

Beginning at a point on the East boundary line of the NW¼ of Section 9, aforesaid, which point is North 0°02' West 1982.3 feet from the Southeast corner of said NW¼ of said Section 9, and running thence North 65°35' West 1812.2 feet to a PI which has a curve of 1°30' right; thence North 53°55' West 1228.4 feet, more or less, to an intersection with the West boundary line of said SW¼SW¼ of Section 4, aforesaid, which point of intersection is North 0°21' East 814.5 feet, more or less, from the Southwest corner of said SW¼SW¼ of Section 4; thence continuing North 53°55' West 570.26 feet, more or less, to Rail Road Survey Station 932.97.6 feet, on mile-post 17.67, which ends the OSLRR ownership, the terminus of centerline.

Section 9: ALSO, Beginning at a point which is 769.21 feet South 0°02' East from the East quarter corner of Section 9, and running thence South 0°02' East 550.79 feet to the Southeast corner of the NE¼SE¼ of said Section 9; thence South 89°54' West 250 feet along the South line of the NE¼SE¼ of said Section 9; thence North 0°01' West 550.79 feet; thence North 89°54' East 250 feet, to the point of beginning.

ALSO, Beginning at the Southeast corner of said Section 9, and running thence Northerly along the Section line to the Northeast corner of the SE¼SE¼ of said Section 9; thence West 195 feet, to a point on a curve; thence Southwesterly on a 4°13' curve 144 feet to a point of tangency; thence South 15°00' West 597 feet to a point on a curve of a 5°34' curve in the Southeasterly direction; thence 630 feet along the last named curve to a point on the South Section line of said Section 9; thence East 252 feet, more or less, along said Section line, to the point of beginning.

Section 16: Beginning at the Northeast corner of Section 16, and running thence West 252 feet along the Section line to a point on a 5°34' curve in a Southeasterly direction; thence 473 feet along the curve in a Southeasterly direction to a point on the East section line of said Section 16; thence North along the section line 370 feet, more or less, to the point of beginning.

Township 10 South, Range 45 East of the Boise Meridian:

Sections 5: That part of Highland No. 5, placer mining claim, designated
and 8: by the Surveyor General as Survey No. 2778, embracing a
portion of the unsurveyed Public Domain, in Caribou County,
Idaho, bounded and described, and platted as follows:

Beginning for the description of the Highland No. 5 placer
claim at corner No. 1, identical with corner No. 3 of said
Highland No. 4 placer claim, from which said U.S. Location
Monument No. 2778 bears South 30°25' West 2169.6 feet
distant; and running
thence, first course, North 1°04' West 652.8 feet to corner
No. 2, a shale stone 24 x 12 x 6 inches, marked 2-2778;
thence, second course, North 89°49' East 536.2 feet to corner
No. 3, a limestone 24 x 12 x 10 inches, marked 3-2778;
thence, third course, North 1°32' East 1332.7 feet to corner
No. 4, a limestone 24 x 12 x 10 inches, marked 4-2778;
thence, fourth course, South 89°08' East 711.8 feet to corner
No. 5, a sandstone 24 x 12 x 8 inches, marked 5-2778;
thence, fifth course, North 8° West 1250.4 feet to corner
No. 6, a sandstone 24 x 14 x 10 inches marked 6-2778;
thence, sixth course, South 89°44' East 637.7 feet to corner
No. 7, a chert stone 24 x 12 x 8 inches, marked 7-2778;
thence, seventh course, North 3°28' West 1619.2 feet to
corner No. 8, a shale stone 24 x 12 x 6 inches, marked
8-2778;
thence, eighth course, South 82°58' East 668.3 feet to corner
No. 9, a chert stone 24 x 18 x 10 inches, marked 9-2778;
thence, ninth course, North 47' West 466.7 feet to corner
No. 10, a chert stone 24 x 14 x 6 inches, marked 10-2778;
thence, tenth course, South 88°51' East 1263.6 feet to corner
No. 11, a sandstone 24 x 8 x 6 inches, marked 11-2778;
thence, eleventh course, South 473.33 feet to corner No. 12,
a sandstone 24 x 8 x 6 inches marked 12-2778;
thence, twelfth course, North 89°25' West 597 feet to corner
No. 13, a cert stone 24 x 12 x 6 inches, marked 13-2778;
thence, thirteenth course, South 3°07' East 1501.4 feet to
corner No. 14, a sandstone, 24 x 12 x 6 inches, marked
14-2778;
thence, fourteenth course, South 89°03' West 650.8 feet to
corner No. 15, a sandstone 24 x 12 x 4 inches, marked
15-2778;
thence, fifteenth course, South 43' West 1252.1 feet to
corner No. 16, a sandstone 24 x 14 x 4 inches, marked
16-2778;
thence, sixteenth course, South 85°38' West 515 feet to
corner No. 17, a sandstone 26 x 12 x 10 inches, marked
17-2778;
thence, seventeenth course, South 6°20' East 1359.7 feet to
corner No. 18, a limestone 24 x 14 x 4 inches, marked

X

18-2778;
thence, eighteenth course, West 664.7 feet to corner No. 19,
sandstone 24 x 12 x 10 inches, marked 19-2778;
thence, nineteenth course, South 59' West 631.7 feet to
corner No. 20, identical with corner No. 4 of said
Highland No. 4 placer claim;
thence, twentieth course, North 87°14' West 1339 feet to
corner No. 1,
the place of beginning.

1. Right of Way and easement on which to construct, maintain and operate a haul road, granted by El Paso Products Company, a Texas corporation, to Mountain Fuel Supply Company, a Utah corporation, by instrument dated December 20, 1967, recorded January 3, 1968, under recorder's instrument No. 62455, in the microfilm records of Caribou County, Idaho. Said easement shall be 200 feet in width lying equally on each side of the centerline, except as necessarily limited as set forth below in the following described tract in Section 9, T. 8 S., R. 44 E., B.M., more particularly described as follows:

Beginning at Station 0+00 which is located at the center of El Paso Tipple whence the East Quarter corner of Section 9, T. 8 S., R. 44 E., of the Boise Meridian bears South 44°42' East 2418.3 feet;
 thence South 65°22' East 19.0 feet to a point of curve to the left on the existing El Paso scaper haul road, the radius of which is 333.5 feet;
 thence along the arc of said curve, through an angle of 45°55' a distance of 267.5 feet to a point of curve to the right, the radius of which is 249.11 feet;
 thence along the arc of said curve, through an angle of 74°00' a distance of 321.7 feet to Station 6+08.2;
 thence South 37°17' East 997.7 feet to Station 16+05.9 feet, the point of curve to the right the radius of which is 1273.24 feet;
 thence along the arc of said curve, through an angle of 17°03' a distance 392.2 feet to Station 19+98.1;
 thence South 19°38' East 633.3 feet to Station 26+31.4 the point of curve to the right, the radius of which is 1432.4 feet;
 thence along the arc of said curve, through an angle of 18°45' a distance of 468.8 feet to Station 31+00.2;
 thence South 0°53' East 170.1 feet to Station 32+70.3, the point of curve to the right, the radius of which is 1910.10 feet;
 thence along the arc of said curve, through an angle of 12°00' a distance of 26.0 feet to Station 32+96.3 a point on the South line of the parcel of land formerly owned by El Paso Products Company, whence the East quarter corner of said Section 9, bears North 3°24' East 768.2 feet.

EXHIBIT B

(Nu-West Mining, Inc. Caribou County - Dry Valley Mine)

EXCEPTIONS TO TITLE

2. Reservations and exceptions in the United States Patents, and in the Act authorizing the issuance thereof, records of Caribou County, Idaho, as follows:

1 Pat, pg 384 EXSWX Section 3, EXNWX Section 10, T. 8 S., R. 42 E., B.M.
 #98665 Micro WXXW Section 3, SEXSEX Section 4, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 178 Lot 4, SWNWX, WXXW Section 3, T. 8 S., R. 42 E., B.M.
 SEXSEX Section 4, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 178 Lot 2, SWNEX, WXXW Section 4, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 253 Lot 1, SEXNEX, NEXSEX Section 4, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 545 SEX Section 9, T. 8 S., R. 42 E., B.M.
 2 Pat, pg 208 NEX Section 9, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 179 SWX, WXXW Section 10, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 344 SEX Section 10, SWXSWX Section 11, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 282 WXXW Section 13, T. 8 S., R. 42 E., B.M.
 1 Pat, pg 430 SXNWX, SEX, EXSWX Section 4, T. 8 S., R. 44 E., B.M.
 2 Pat, pg 168 WXXW Section 4, T. 8 S., R. 44 E., B.M.
 1 Pat, pg 431 SXNEX, SEXNWX Section 5, T. 8 S., R. 44 E., B.M.
 2 Pat, pg 173 SEXSEX Section 5, T. 8 S., R. 44 E., B.M.
 2 Pat, pg 172 NXSEX, SWXSEX Section 5, T. 8 S., R. 44 E., B.M.
 2 Pat, pg 178 SXSEX, NXNEX, SEXNEX, NEXSEX Section 9,
 T. 8 S., R. 44 E., B.M.
 1 Pat, pg 516 EXEX Section 16, T. 8 S., R. 44 E., B.M.
 5 Pat, pg 236 Highland No. 5, Sections 5 & 8, T. 10 S., R. 45 E., B.M.

Reservations and exceptions in the State of Idaho Deeds, and in the Act authorizing the issuance thereof, records of Caribou County, Idaho, as follows:

1 Pat, pg 125 NEXNEX Section 16, T. 8 S., R. 42 E., B.M.
 #108286 Micro NEXNWX, NXXNEX Section 16, T. 8 S., R. 42 E., B.M.

25. Mining Lease granted by Paul H. Allen and Grace Allen, husband and wife, to Kerr-McGee Oil Industries, Inc., on by instrument dated October 1, 1963, recorded September 13, 1965, under recorder's instrument No. 55272, in the microfilm records of Caribou County, Idaho, and assigned to O. A. Pover and Charlotte Pover, husband and wife, by assignment dated March 19, 1968, recorded January 13, 1970, under recorder's instrument No. 68038, in the microfilm records of Caribou County, Idaho. Said Lease was amended by Amendment to Mining Lease, executed by Paul H. Allen, a single man to FMC CORPORATION, a Delaware corporation, dated May 15, 1977, recorded June 8, 1977, under recorder's instrument No. 91872, in the microfilm records of Caribou County, Idaho. Said instrument affects the NXSEX, SEXSEX of Section 5, T. 8 S., R. 44 E., B.M. and amends the primary term to terminate on March 24, 2004.

26. Mining Lease executed by Victor Bollar and Doris Bollar, his wife, to Kerr-McGee Oil Industries, Inc., by instrument dated July 17, 1963, recorded December 6, 1965, under recorder's instrument No. 55961, records of Caribou County, Idaho. Said Lease was assigned by assignment to FMC CORPORATION, a Delaware corporation, dated December 23, 1965, recorded July 6, 1976, under recorder's instrument No. 87547, in the microfilm records of Caribou County, Idaho. Said Lease was amended by Amendment to Mining Lease, executed by Victor Bollar and Doris Bollar, husband and wife, to FMC CORPORATION, a Delaware corporation, dated March 28, 1979, recorded April 19, 1979, under recorder's instrument No. 100049, in the microfilm records of Caribou County, Idaho. Said instrument affects the ENE $\frac{1}{4}$ of Section 16, T. 8 S., R. 44 E., B.M., and amends the primary term to March 24, 2004.

27. Right, title and interest of Paul Allen in and to all minerals and mineral rights, in and to the SE $\frac{1}{4}$ of Section 5, the SW $\frac{1}{4}$, and that portion of the NE $\frac{1}{4}$ lying North of the Maybe Canyon Road in Section 9, all in T. 8 S., R. 44 E., B.M., disclosed by Quit Claim Deed executed by Reda R. Allen, a widow, to Paul Allen, by instrument dated December --, 1963, recorded December 24, 1965, under recorder's instrument No. 56168, in the microfilm records of Caribou County, Idaho. Said instrument affects the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 4; the SE $\frac{1}{4}$ of Section 5, SW $\frac{1}{4}$ and that portion of the NE $\frac{1}{4}$ of Section 9 lying North of the Maybe Canyon Road, all in T. 8 S., R. 44 E., B.M.

28. Pole Line Easement and all rights incidental thereto, granted by Richard Torgesen and Arlene Torgesen, husband and wife, to Utah Power & Light Company, a corporation, by instrument dated June 23, 1959, recorded August 5, 1959, in Book 42 of Deeds at page 289, under recorder's instrument No. 43117, records of Caribou County, Idaho. Said instrument affects the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 9, T. 8 S., R. 42 E., B.M.

29. Pole Line Easement and all rights incidental thereto, granted by Walter D. Stiles, a widower, to Utah Power & Light Company, a corporation, by instrument dated June 11, 1959, in Book 42 of Deeds, at page 291, under recorder's instrument No. 43118, records of Caribou County, Idaho. Said easement affects the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 3, T. 8 S., R. 42 E., B.M.

30. Pole Line Easement and all rights incidental thereto, granted by El Paso Products Company, a corporation, to Utah Power & Light Company, a corporation, by instrument dated March 10, 1967, recorded July 12, 1967, under recorder's instrument No. 61031, in the microfilm records of Caribou County, Idaho. Said easement affects the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 10, and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 9, T. 8 S., R. 42 E., B.M.

31. Easement for a gas pipeline and all rights incidental thereto, granted by El Paso Products Company, to Intermountain Gas Company, by instrument dated July 13, 1967, recorded October 9, 1967, under recorder's instrument No. 61694, in the microfilm records of Caribou County, Idaho. Said instrument affects the W $\frac{1}{2}$ W $\frac{1}{4}$ of Section 10, and the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, T. 8 S., R. 42 E., B.M.

32. License Agreement and all rights incidental thereto, executed by Agricultural Products Corporation, a corporation, by Doyle Stiles and Veda Stiles, husband and wife, dated July 18, 1974, recorded September 25, 1974, under recorder's instrument No. 80902, in the microfilm records of Caribou County, Idaho. Said License Agreement was assigned by Assignment of License Agreement executed by Beker Industries Corp., a Delaware corporation, to Conda Partnership, a general partnership, dated January 9, 1979, recorded January 9, 1979, under recorder's instrument No. 98947, in the microfilm records of Caribou County, Idaho. Said instrument affects the property in EXSWK of Section 3 and the EXNWK of Section 10, T. 8 S., R. 42 E., B.M.

33. Easement and all rights incidental thereto, granted by Agricultural Products Company, a corporation, to Oregon Short Line Railroad Company, disclosed by Easement Deed, dated May 15, 1972, recorded November 3, 1976, under recorder's instrument No. 88852, in the microfilm records of Caribou County, Idaho. Said easement affects the property in the WK of Section 3, T. 8 S., R. 42 E., B.M.

34. Right of Way easements for ingress and egress and for utilities and other purposes, and all rights incidental thereto, all as disclosed by Easement Agreement between Beker Industries Corp., a Delaware corporation and Conda Partnership, an Idaho partnership, dated January 9, 1979, recorded January 9, 1979, under recorder's instrument No. 98946, in the microfilm records of Caribou County, Idaho. Said instrument affects Tract IV.

35. Provisions contained in Deed executed by Beker Industries Corp., a Delaware corporation, and Western Co-Operatives Fertilizers (U.S.) Inc., a Delaware corporation, to Conda Partnership, a general partnership, dated January 9, 1979, recorded January 9, 1979, under recorder's instrument No. 98945, in the microfilm records of Caribou County, Idaho, as follows:

"SUBJECT TO the condition that Beker reserves the right to use the easement described in Exhibit E of the Easement Agreement dated as of the date hereof (the 'Easement Agreement') between Beker and the Partnership to the extent reasonable necessary in connection with Beker's operations on the property described in Exhibit A of the Easement Agreement without affecting the rights of the Partnership granted in the Easement Agreement." Said instrument affects the property in T. 8 S., R. 42 E., B.M.

36. The effect, if any of the following 4 described instruments; the first being a Quit Claim Deed executed by Pratt Holmgren, Joyce H. Dahlberg, Jerilyn H. Baty and Clair Holmgren, as Trustees to Arvilla Holmgren a widow, dated November 27, 1984, recorded January 14, 1985, under recorder's instrument No. 123208; the second being a Quit Claim Deed executed by Arvilla Holmgren, a widow, to Holmgren Enterprises, Ltd., dated November 27, 1984, recorded January 14, 1985, under recorder's instrument No. 123209; the third being a Corrected Quit Claim Deed executed by Arvilla Holmgren Enterprises, Ltd., dated November 27, 1984, recorded January 23, 1985, under recorder's instrument No. 123288; the fourth being a Corrected Quit Claim Deed executed by Pratt Holmgren, Joyce H. Dahlberg, Jerilyn H. Baty and Clair Holmgren, as Trustee, to Arvilla Holmgren, a widow, dated November 27, 1984, recorded January 24, 1985, under recorder's instrument No. 123302, all in the microfilm records of Caribou County, Idaho. Instrument No. 123302 corrects instrument No. 123208 and instrument No. 123288 corrects instrument No. 123209, and all affects the SEM of Section 4, T. 8 S., R. 44 E., B.M.

37. Easement and all rights incidental thereto, executed by Nu-West, a corporation, to Utah Power & Light Company, dated June 29, 1992, recorded July 7, 1992, under recorder's instrument No. 143834, in the microfilm records of Caribou County, Idaho. Said easement affects the NWNEM of Section 9, T. 8 S., R. 42 E., B.M.

38. Right of Way for County Roads and Railroad, disclosed by various documents of record, the exact location of which are not disclosed. Affects Tract VI.

39. Overlaps and encroachments, as disclosed and shown by record of survey of A. A. Hudson and Associates, Project No. 93174, dated October, 1993. Affects Sections 3, 4, 9 and 10, T. 8 S., R. 42 E., B.M.

40. (a) Unpatented mining claims; Affects Tract VI; (b) water rights, claims or title to water, whether or not the a matter excepted under (a) and (b) are shown of public records.

45. Terms, conditions, stipulations and all provisions contained in the easements and rights of way grants described Easements Nos. 62411, 62412, 62413, of Tract IV; and Easement Nos. 62411, 62412, 62413, 63974, 62566, 62567, 62568, 61694, 62279 and 62280 of Tract VII, of Schedule A.

46. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

- a. the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
- b. the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
- c. the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure; or
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

47. An easement for overhanging eaves of the silica plant building, disclosed by survey of Alexander A. Hudson, dated October 17, 1993.

48. Any lack of a right of access to and from the land. Affects the property in Section 5 and 8, T. 10 S., R 45 E., B.M. of Tract VI. (Highland No. 5, placer mining claim)

49. UCC-1 filing executed by Conda Partnership to Banque Indosuez, New York Branch, as Collateral Agent, covering fixtures and minerals located on Tract V and Tract VII of the above described property,, filed November 1, 1993, under recorder's instrument No. 146575, in the microfilm records of Caribou County, Idaho.

50. UCC-1 filing executed by Conda Partnership to Banque Indosuez, New York Branch, as Collateral Agent, covering fixtures and minerals located on Tract VI of the above described property, filed November 1, 1993, under recorder's instrument No. 146576, in the microfilm records of Caribou County, Idaho.

51. UCC-1 filing executed by Nu-West Industries, Inc., to Banque Indosuez, New York Branch, as Collateral Agent, covering fixtures and minerals located on Tract I and IV of the above described property, filed November 1, 1993, under recorder's instrument No. 146577, in the microfilm records of Caribou County, Idaho.

52. Mortgage executed by Nu-West Industries, Inc., to Banque Indosuez, New York Branch, as Collateral Agent, to secure the payment of \$50,000,000.00 together with interest and any other obligations secured thereby; dated as of November 2, 1993, recorded November 3, 1993, under recorder's instrument No. 146621, in the microfilm records of Caribou County, Idaho. Affects Tracts I, II, III and IV.

53. Mortgage executed by Conda Partnership to Banque Indosuez, New York Branch, as Collateral Agent, to secure the payment of \$50,000,000.00 together with interest and any other obligations secured thereby; dated as of November 2, 1993, recorded November 3, 1993, under recorder's instrument No. 146622, in the microfilm records of Caribou County, Idaho. Affects Tract V, and VII.

54. Mortgage executed by Conda Partnership, to Banque of Indosuez, New York Branch, as Collateral Agent, to secure the payment of \$50,000,000.00 together with interest and any other obligations secured thereby; dated as of November 2, 1993, recorded November 3, 1993, under recorder's instrument No. 146623, in the microfilm records of Caribou County, Idaho. Affects Tract VI.

55. Memorandum of Lease, wherein Nu-West Industries, Inc., is Lessor and NuTec Mineral & Chemical Company, is Lessee, dated November 2, 1993, recorded November 3, 1993, under recorder's instrument No. 146624; and assigned to NuTec Mineral & Chemical Company, a Colorado limited partnership, by Assignment and assumption of Conda Facility Ground Lease, dated November 1, 1993, recorded November 3, 1993, under recorder's instrument No. 146625; which lease is subordinate to Mortgage No. 146621.

by Subordination Agreement dated November 2, 1993, recorded November 3, 1993, under recorder's instrument No. 146626, all in the microfilm records of Caribou County, Idaho. Said lease affects the following described property:

Township 8 South, Range 42 East of the Boise Meridian:

Section 18: Beginning at the Southwest corner of said Section 18; thence North 39°52'11" East 1231.52 feet to the Northwest Corner of the silica plant building located in the Nu-West plant site, the TRUE POINT OF BEGINNING, AND RUNNING thence following the concrete foundation wall through the following six courses;
 North 89°29'00" East 61.12 feet;
 North 00°31'00" West 10.00 feet;
 North 89°29'00" East 25.90 feet;
 South 00°31'00" East 44.40 feet;
 South 89°29'00" West 87.02 feet;
 North 00°31'00" West 34.40 feet,
 to the point of beginning.

56. Mortgage executed by NuTec Mineral & Chemical Company, a Colorado limited Partnership, to Nu-West Industries, Inc., to secure the payment of \$20,000,000.00 together with interest and any other obligations secured thereby; dated as of November 2, 1993, recorded November 3, 1993, under recorder's instrument No. 146627; and assigned to Banque Indosuez, New York Branch, by Assignment of Leasehold Mortgage, dated October 31, 1993, recorded November 3, 1993, under recorder's instrument No. 146628, both in the microfilm records of Caribou County, Idaho. Said mortgage affects the property set forth in exception No. 54 above.

57. Deed of Trust executed by Nu-West Industries, Inc., to Caribou Land Title, Inc., as Trustee, and Kennecott Utah Copper Corporation, as Beneficiary, to secure the payment of \$4,000,000.00 together with interest and any other obligations secured thereby; dated July 28, 1994, recorded September 2, 1994, under recorder's instrument No. 148672, in the microfilm records of Caribou County, Idaho.

58. UCC-1 filing executed by Nu-West Industries, Inc., to Kennecott Utah Copper Corporation, filed September 2, 1994, under recorder's instrument No. 148673, in the microfilm records of Caribou County, Idaho.

59. UCC-1 filing executed by Nu-West Industries, Inc., to Weiss, Peck & Greer Venture Associates, L.P.; WPG Corporate Development Associates II, L.P.; and WPG Corporate Development Associates III, L.P.; filed November 21, 1990, under recorder's instrument No. 140227, in the microfilm records of Caribou County, Idaho.

60. UCC-1 filing executed by Nu-West Industries, Inc., a Delaware Corporation, to WPG Corporate Development Associates III (Overseas), Ltd., recorded April 9, 1991, under recorder's instrument No. 140986, in the microfilm records of Caribou County, Idaho.

Authorization ID: SSC21
Contact ID: NUWEST MINING
Expiration Date: 12/31/2023
Use Code: 571

FS-2700-4 (8/99)
OMB 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
Forest Service
SPECIAL USE PERMIT
AUTHORITY:
ORGANIC ADMINISTRATION ACT June 4, 1897

NUWEST MINING, Inc. of 3010 CONDA ROAD, SODA SPRINGS, ID 83276 - (hereinafter called the Holder) is hereby authorized to use or occupy National Forest System lands, to use subject to the conditions set out below, on the Caribou-Targhee National Forest or Soda Springs Ranger District unit of the National Forest System.

This permit covers 142.5 acres, and/or 0 miles and is described as:

Special Use Permit Areas for Nu-West Mining		Township	Range	Section	Parcel	SUP Acreage
North and South Maybe	East Mill Canyon Dump	T7S	R44E	28	N1/2NW1/4SE1/4SE1/4	5
				28	NW1/4NE1/4SE1/4SE1/4	2.5
				28	SW1/4NW1/2SE1/4SE1/4	2.5
				28	S1/2SW1/4NE1/4SE1/4	5
North and South Maybe	Waste Dump F	T7S	R44E	4	NE1/4NW1/4NE1/4	10
				11	S1/2SW1/4SW1/4	20
North and South Maybe	South Maybe Dump	T7S	R44E	11	NW1/4SW1/4SW1/4	10
				11	W1/2NE1/4SW1/4SW1/4	5
				11	SW1/4NW1/4SW1/4	10
				11	SW1/4SE1/4NW1/4SW1/4	2.5
Mtn Fuel Mine	Facilities Area, dump, railroad	T9S	R44E	13	SW1/4SW1/4NW1/4	10
				13	E1/2NW1/4NW1/4SW1/4	5
				14	S1/2SE1/4SE1/4NE1/4	5
				14	NE1/4SE1/4SE1/4NE1/4	2.5
				14	NW1/4NE1/4SE1/4	10
				14	W1/2NE1/4NE1/4SE1/4	5
				24	W1/2NE1/4SE1/4SW1/4	5
				24	NW1/4SE1/4SE1/4SW1/4	2.5
				24	W1/2SE1/4SW1/4	20
				25	NW1/4NW1/4NE1/4NW1/4	2.5
				25	SW1/4SW1/4NE1/4NW1/4	2.5
					total SUP	142.5

This permit is issued for the purpose of reclamation, monitoring, and water management for inactive phosphate mining areas. The above described or defined area shall be referred to herein as the "permit area".

TERMS AND CONDITIONS

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

A. Authority. This permit is issued pursuant to the authorities enumerated at Title 36, Code of Federal Regulations, Section 251 Subpart B, as amended. This permit, and the activities or use authorized, shall be subject to the terms and conditions of the Secretary's regulations and any subsequent amendment to them.

B. Authorized Officer. The authorized officer is the Forest Supervisor or a delegated subordinate officer.

C. License. This permit is a license for the use of federally owned land and does not grant any permanent, possessory interest in real property, nor shall this permit constitute a contract for purposes of the Contract Disputes Act of 1978 (41 U.S.C. 611). Loss of the privileges granted by this permit by revocation, termination, or suspension is not compensable to the holder.

D. Amendment. This permit may be amended in whole or in part by the Forest Service when, at the discretion of the authorized officer, such action is deemed necessary or desirable to incorporate new terms, conditions, and stipulations as may be required by law, regulation, land management plans, or other management decisions.

E. Existing Rights. This permit is subject to all valid rights and claims of third parties. The United States is not liable to the holder for the exercise of any such right or claim.

F. Nonexclusive Use and Public Access. Unless expressly provided for in additional terms, use of the permit area is not exclusive. The Forest Service reserves the right to use or allow others to use any part of the permit area, including roads, for any purpose, provided, such use does not materially interfere with the holder's authorized use. A final determination of conflicting uses is reserved to the Forest Service.

G. Forest Service Right of Entry and Inspection. The Forest Service has the right of unrestricted access of the permitted area or facility to ensure compliance with laws, regulations, and ordinances and the terms and conditions of this permit.

H. Assignability. This permit is not assignable or transferable. If the holder through death, voluntary sale or transfer, enforcement of contract, foreclosure, or other valid legal proceeding ceases to be the owner of the improvements, this permit shall terminate.

I. Permit Limitations. Nothing in this permit allows or implies permission to build or maintain any structure or facility, or to conduct any activity unless specifically provided for in this permit. Any use not specifically identified in this permit must be approved by the authorized officer in the form of a new permit or permit amendment.

II. TENURE AND ISSUANCE OF A NEW PERMIT

A. Expiration at the End of the Authorized Period. This permit will expire at midnight on 12/31/2023. Expiration shall occur by operation of law and shall not require notice, any decision document, or any environmental analysis or other documentation.

B. Minimum Use or Occupancy of the Permit Area. Use or occupancy of the permit area shall be exercised at least 365 days each year, unless otherwise authorized in writing under additional terms of this permit.

C. Notification to Authorized Officer. If the holder desires issuance of a new permit after expiration, the holder shall notify the authorized officer in writing not less than six (6) months prior to the expiration date of this permit.

D. Conditions for Issuance of a New Permit. At the expiration or termination of an existing permit, a new permit may be issued to the holder of the previous permit or to a new holder subject to the following conditions:

1. The authorized use is compatible with the land use allocation in the Forest Land and Resource Management Plan.
2. The permit area is being used for the purposes previously authorized.
3. The permit area is being operated and maintained in accordance with the provisions of the permit.
4. The holder has shown previous good faith compliance with the terms and conditions of all prior or other existing permits, and has not engaged in any activity or transaction contrary to Federal contracts, permits laws, or regulations.

E. Discretion of Forest Service. Notwithstanding any provisions of any prior or other permit, the authorized officer may prescribe new terms, conditions, and stipulations when a new permit is issued. The decision whether to issue a new permit to a holder or successor in interest is at the absolute discretion of the Forest Service.

F. Construction. Any construction authorized by this permit may commence by N/A and shall be completed by N/A. If construction is not completed within the prescribed time, this permit may be revoked or suspended.

III. RESPONSIBILITIES OF THE HOLDER

A. Compliance with Laws, Regulations, and other Legal Requirements. The holder shall comply with all applicable Federal, State, and local laws, regulations, and standards, including but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. 1251 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.*, the Comprehensive Environmental Response, Control, and Liability Act, 42 U.S.C. 9601 *et seq.*, and other relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, construction, operation, and maintenance of any facility, improvement, or equipment on the property.

B. Plans. Plans for development, layout, construction, reconstruction, or alteration of improvements on the permit area, as well as revisions of such plans, must be prepared by a qualified individual acceptable to the authorized officer and shall be approved in writing prior to commencement of work. The holder may be required to furnish as-built plans, maps, or surveys, or other similar information, upon completion of construction.

C. Maintenance. The holder shall maintain the improvements and permit area to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the authorized officer and consistent with other provisions of this authorization. If requested, the holder shall comply with inspection requirements deemed appropriate by the authorized officer.

D. Hazard Analysis. The holder has a continuing responsibility to identify all hazardous conditions on the permit area which would affect the improvements, resources, or pose a risk of injury to individuals. Any non-emergency actions to abate such hazards shall be performed after consultation with the authorized officer. In emergency situations, the holder shall notify the authorized officer of its actions as soon as possible, but not more than 48 hours, after such actions have been taken.

E. Change of Address. The holder shall immediately notify the authorized officer of a change in address.

F. Change in Ownership. This permit is not assignable and terminates upon change of ownership of the improvements or control of the business entity. The holder shall immediately notify the authorized officer when a change in ownership or control of business entity is pending. Notification by the present holder and potential owner shall be executed using Form SF-299 Application for Transportation and Utility Systems and Facilities of Federal Lands, or Form FS-2700-3a, Holder Initiated Revocation of Existing Authorization, Request for a Special Use Permit. Upon receipt of the proper documentation, the authorized officer may issue a permit to the party who acquires ownership of, or a controlling interest in, the improvements or business entity.

IV. LIABILITY

For purposes of this section, "holder" includes the holder's heirs, assigns, agents, employees, and contractors.

A. The holder assumes all risk of loss to the authorized improvements.

B. The holder shall indemnify, defend, and hold the United States harmless for any violations incurred under any such laws and regulations or for judgments, claims, or demands assessed against the United States in connection with the holder's use or occupancy of the property. The holder's indemnification of the United States shall include any loss by personal injury, loss of life or damage to property in connection with the occupancy or use of the property during the term of this permit. Indemnification shall include, but is not limited to, the value of resources damaged or destroyed; the costs of restoration, cleanup, or other mitigation; fire suppression or other types of abatement costs; third party claims and judgments; and all administrative, interest, and other legal costs. This paragraph shall survive the termination or revocation of this authorization, regardless of cause.

C. The holder has an affirmative duty to protect from damage the land, property, and interests of the United States.

D. In the event of any breach of the conditions of this authorization by the holder, the authorized officer may, on reasonable notice, cure the breach for the account at the expense of the holder. If the Forest Service at any time pays any sum of money or does any act which will require payment of money, or incurs any expense, including reasonable attorney's fees, in instituting, prosecuting, and/or defending any action or proceeding to enforce the United States rights hereunder, the sum or sums so paid by the United States, with all interests, costs and damages shall, at the election of the Forest Service, be deemed to be additional fees hereunder and shall be due from the holder to the Forest Service on the first day of the month following such election.

E. With respect to roads, the holder shall be proportionally liable for damages to all roads and trails of the United States open to public use caused by the holder's use to the same extent as provided above, except that liability shall not include reasonable and ordinary wear and tear.

F. The Forest Service has no duty to inspect the permit area or to warn of hazards and, if the Forest Service does inspect the permit area, it shall incur no additional duty nor liability for identified or non-identified hazards. This covenant may be enforced by the United States in a court of competent jurisdiction.

V. TERMINATION, REVOCATION, AND SUSPENSION

A. General. For purposes of this permit, "termination", "revocation", and "suspension" refer to the cessation of uses and privileges under the permit.

"Termination" refers to the cessation of the permit under its own terms without the necessity for any decision or action by the authorized officer. Termination occurs automatically when, by the terms of the permit, a fixed or agreed upon condition, event, or time occurs. For example, the permit terminates at expiration. Terminations are not appealable.

"Revocation" refers to an action by the authorized officer to end the permit because of noncompliance with any of the prescribed terms, or for reasons in the public interest. Revocations are appealable.

"Suspension" refers to a revocation which is temporary and the privileges may be restored upon the occurrence of prescribed actions or conditions. Suspensions are appealable.

B. Revocation or Suspension. The Forest Service may suspend or revoke this permit in whole or part for:

1. Noncompliance with Federal, State, or local laws and regulations.
2. Noncompliance with the terms and conditions of this permit.
3. Reasons in the public interest.
4. Abandonment or other failure of the holder to otherwise exercise the privileges granted.

C. Opportunity to Take Corrective Action. Prior to revocation or suspension for cause pursuant to Section V (B), the authorized officer shall give the holder written notice of the grounds for each action and a reasonable time, not to exceed 90 days, to complete the corrective action prescribed by the authorized officer.

D. Removal of Improvements. Prior to abandonment of the improvements or within a reasonable time following revocation or termination of this authorization, the holder shall prepare, for approval by the authorized officer, an abandonment plan for the permit area. The abandonment plan shall address removal of improvements and restoration of the permit area and prescribed time frames for these actions. If the holder fails to remove the

improvements or restore the site within the prescribed time period, they become the property of the United States and may be sold, destroyed or otherwise disposed of without any liability to the United States. However, the holder shall remain liable for all cost associated with their removal, including costs of sale and impoundment, cleanup, and restoration of the site.

VI. FEES

A. Termination for Nonpayment. This permit shall automatically terminate without the necessity of prior notice when land use rental fees are 90 calendar days from the due date in arrears.

B. The holder shall pay an annual fee of Five Thousand Two Hundred Fifty Dollars \$5107 for the period from January 1, 2003 to January 1, 2004 and thereafter annually on January 1 Thirty Five Dollars (\$35.84) per acre for the number of acres in use: Provided, charges for this use shall be made or readjusted whenever necessary to place the charges on a basis commensurate with the fair market value of the authorized use.

C. Payment Due Date. The payment due date shall be the close of business on January 1 of each calendar year payment is due. Payments due the United States for this use shall be deposited at USDA – FS, C/O Bank of America, File 71652, P.O. Box 60000 San Francisco, CA 94160-1657, in the form of a check, draft, or money order payable to "Forest Service, USDA." Payments shall be credited on the date received by the designated Forest Service collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

D. Late Payment Interest, Administrative Costs and Penalties Pursuant to 31 U.S.C. 3717, et seq., interest shall be charged on any fee amount not paid within 30 days from the date the fee or fee calculation financial statement specified in this authorization becomes due. The rate of interest assessed shall be the higher of the rate of the current value of funds to the U.S. Treasury (i.e., Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly or at the Prompt Payment Act rate. Interest on the principal shall accrue from the date the fee or fee calculation financial statement is due.

In the event the account becomes delinquent, administrative costs to cover processing and handling of the delinquency will be assessed.

A penalty of 6 percent per annum shall be assessed on the total amount delinquent in excess of 90 days and shall accrue from the same date on which interest charges begin to accrue.

Payments will be credited on the date received by the designated collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

Disputed fees are due and payable by the due date. No appeal of fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments, if necessary, will be made in accordance with settlement terms or the appeal decision.

If the fees become delinquent, the Forest Service will:

Liquidate any security or collateral provided by the authorization.

If no security or collateral is provided, the authorization will terminate and the holder will be responsible for delinquent fees as well as any other costs of restoring the site to it's original condition including hazardous waste cleanup.

Upon termination or revocation of the authorization, delinquent fees and other charges associated with the authorization will be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 et seq. Delinquencies may be subject to any or all of the following conditions:

Administrative offset of payments due the holder from the Forest Service.

Delinquencies in excess of 60 days shall be referred to United States Department of Treasury for appropriate collection action as provided by 31 U.S.C. 3711 (g), (1).

The Secretary of the Treasury may offset an amount due the debtor for any delinquency as provided by 31 U.S.C. 3720, *et seq.*)

VII. OTHER PROVISIONS

A. Members of Congress. No Member of or Delegate to Congress or Resident Commissioner shall benefit from this permit either directly or indirectly, except when the authorized use provides a general benefit to a corporation.

B. Appeals and Remedies. Any discretionary decisions or determinations by the authorized officer are subject to the appeal regulations at 36 CFR 251, Subpart C, or revisions thereto.

C. Superior Clauses. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the preceding printed clauses shall control.

I. Nondiscrimination in Employment and Services (B1). During the performance of this authorization, the holder agrees:

1. In connection with the performance of work under this authorization, including construction, maintenance, and operation of the facility, the holder shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or disability. (Ref. Title VII of the Civil Rights Act of 1964, as amended).
2. The holder and employees shall not discriminate by segregation or otherwise against any person on the basis of race, color, religion, sex national origin, age, or disability, by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. (Ref. Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; Title IX of the Education Amendments, and the Age Discrimination Act of 1975).
3. The holder shall include and require compliance with the above nondiscrimination provisions in any subcontract made with respect to the operations under this authorization.
4. When furnished by the Forest Service, signs setting forth this policy of nondiscrimination will be conspicuously displayed at the public entrance to the premises, and at other exterior or interior locations as directed by the Forest Service.
5. The Forest Service shall have the right to enforce the foregoing nondiscrimination provisions by suit for specific performance or by any other available remedy under the laws of the United States of the State in which the breach or violation occurs.

II. Bonding (C3). As a further guarantee of the faithful performance of the provisions of terms and conditions of this authorization, the holder agrees to deliver and maintain a surety bond or other acceptable security in the amount of \$574,608. Should the sureties or the bonds delivered under this authorization become unsatisfactory to the Forest Service, the holder shall, within thirty (30) days of demand, furnish a new bond with surety, solvent and satisfactory to the Forest Service. In lieu of surety bond, the holder may deposit into a Federal depository, as directed by the Forest Service, and maintain therein, cash in the amounts provided for above, or negotiable securities of the United States having a market value at time of deposit of not less than the dollar amounts provided above.

The holder's surety bond shall be released, or deposits in lieu of bond, shall be returned thirty (30) days after certification by the Forest Service that priority installations under the development plan are complete, and upon furnishing by the holder of proof satisfactory to the Forest Service that all claim for labor and material on said installations have been paid or released and satisfied. The holder agrees that all moneys deposited under this authorization may, upon failure on his or her part to fulfill all and singular the requirements herein set forth or made a part hereof, be retained by United States to be applied to satisfy obligations assumed here under, without prejudice whatever to any rights and remedies of the United States.

Prior to undertaking additional construction or alteration work not provided for in the terms and conditions or when the improvements are to be removed and the area restored, the holder shall deliver and maintain a surety bond in an amount set by the Forest Service, which amount shall not be in excess of the estimated loss which the Government would suffer upon default in performance of this work.

III. Surveys, Land Corners (D4). The holder shall protect, in place, all public land survey monuments, private property corners, and Forest boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of the privileges permitted by this authorization, depending on the type of monument destroyed, the holder shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States," (2) the specifications of the county surveyor, or (3) the specifications of the Forest Service.

Further, the holder shall cause such official survey records as are affected to be amended as provided by law. Nothing in this clause shall relieve the holder's liability for the willful destruction or modification of any Government survey marker as provided at 18 U.S.C. 1858.

IV. Revegetation of Ground Cover and Surface Restoration (D9). The holder shall be responsible for prevention and control of soil erosion and gullying on lands covered by this authorization and adjacent thereto, resulting from construction, operation, maintenance, and termination of the authorized use. The holder shall so construct permitted improvements to avoid the accumulation of excessive heads of water and to avoid encroachment on streams. The holder shall revegetate or otherwise stabilize all ground where the soil has been exposed as a result of the holder's construction, maintenance, operation, or termination of the authorized use and shall construct and maintain necessary preventive measures to supplement the vegetation.

V. Pesticide Use (D23). Pesticides may not be used to control undesirable woody and herbaceous vegetation, aquatic plants, insects, rodents, trash fish, etc., without the prior written approval of the Forest Service. A request for approval of planned uses of pesticides will be submitted annually by the holder on the due date established by the authorized officer. The report will cover a 12-month period of planned use beginning 3 months after the reporting date. Information essential for review will be provided in the form specified. Exceptions to this schedule may be allowed, subject to emergency request and approval, only when unexpected outbreaks of pests require control measures which were not anticipated at the time an annual report was submitted.

Only those materials registered by the U.S. Environmental Protection Agency for the specific purpose planned will be considered for use on National Forest System lands. Label instructions will be strictly followed in the application of pesticides and disposal of excess materials and containers.

VI. Protection of Habitat of Endangered, Threatened, and Sensitive Species (X8). Location of areas needing special measures for protection of plants or animals listed as threatened or endangered under the Endangered Species Act of 1973, as amended, or as sensitive by the Regional Forester under authority of FSM 2670, derived from ESA Section 7 consultation, may be shown on a separate map, hereby made a part of this authorization, or identified on the ground. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the authorization holder.

If protection measures prove inadequate, if other such areas are discovered, or if new species are listed as Federally threatened or endangered or as sensitive by the Regional Forester, the authorized officer may specify additional protection regardless of when such facts become known. Discovery of such areas by either party shall be promptly reported to the other party.

VII. Archaeological-Paleontological Discoveries (X17). The holder shall immediately notify the authorized officer of any and all antiquities or other objects of historic or scientific interest. These include, but are not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as the result of operations under this authorization, and shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

IX. Superseded Authorization (X18). This authorization supersedes a special-use authorization designated: CAR401402.

IX. Improvement Relocation (X33). This authorization is granted with the express understanding that should future location of United States Government-owned improvements or road rights-of-way require the relocation of the holder's improvements, such relocation will be done by, and at the expense of, the holder within a reasonable time as specified by the authorized officer.

X. Corporation Status Notification (X46). The holder shall furnish the authorized officer with the names and addresses of shareholders owning three (3) percent or more of the shares, and number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote. In addition, the holder shall notify the authorized officer within fifteen (15) days of the following changes:

1. Names of officers appointed or terminated.
2. Names of stockholders who acquire stock shares causing their ownership to exceed 50 percent of shares issued or who otherwise acquire controlling interest in the corporation.
3. A copy of the articles of incorporation and bylaws.
4. An authenticated copy of a resolution of the board of directors specifically authorizing a certain individual or individuals to represent the holder in dealing with the Forest Service.
5. A list of officers and directors of the corporation and their addresses.
6. Upon request, a certified list of stockholders and amount of stock owned by each.
7. The authorized officer may, when necessary, require the holder to furnish additional information as set forth in 36 CFR 251.54 (e)(1)(iv).

XI. Performance by Holder, Successors, or Assigns (X68). Notwithstanding the expiration or any renewal of this authorization or its earlier relinquishment, abandonment, or other termination, the provisions of this authorization, to the extent applicable, shall continue in effect and shall be binding on the holder, successors, or assigns, until they have fully performed their respective obligations and liabilities accruing before or on account of the expiration, or prior termination, of the authorization.

XII. Performance by Other Than Holder (X69). The acquisition or assumption by another party under an agreement with the holder of any right or obligation of the holder under this authorization shall be ineffective as to the Forest Service unless and until approved by the authorized Forest officer. A subsequent acquisition or assumption shall not:

1. Operate to relieve the holder of the responsibilities or liabilities they have assumed hereunder, or
2. Be given unless such other party (1) is acceptable to the Forest Service as a holder, and assumes in writing all of the obligations to the Forest Service under the terms of this authorization as to the incomplete portion thereof, or (2) acquires the rights in trust as security and subject to such conditions as may be necessary for the protection of the public interests.

XIII. Water Rights (X74). This authorization does not convey any legal interest in water rights as defined by applicable State law.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082.

This information is needed by the Forest Service to evaluate requests to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for that requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Term Permit Act, National Forest Ski Area Permit Act, Granger-Thye Act, Mineral Leasing Act, Alaska Term Permit Act, Act of September 3, 1954, Wilderness Act, National Forest Roads and Trails Act, Act of November 16, 1973, Archaeological Resources

Protection Act, and Alaska National Interest Lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations for the use and occupancy of National Forest System lands. The Secretary of Agriculture's regulations at 36 CFR Part 251, Subpart B, establish procedures for issuing those authorizations.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service. Public reporting burden for collection of information, if requested, is estimated to average 1 hour per response for annual financial information; average 1 hour per response to prepare or update operation and/or maintenance plan; average 1 hour per response for inspection reports; and an average of 1 hour for each request that may include such things as reports, logs, facility and user information, sublease information, and other similar miscellaneous information requests. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This permit is accepted subject to the conditions set out above.

Date _____

*CORPORATE NAME

(CORPORATE SEAL)

By: _____
(Vice) President

ATTEST: _____

(Assistant) Secretary

The following certificate shall be executed by the Secretary or Assistant Secretary of the Corporation:

I _____ certify that I am the _____
Secretary of the Corporation that executed the above permit; that _____ who
signed said permit on behalf of said Corporation was then _____ of said
Corporation; that I know his/her signature on said permit is genuine; and that said permit was duly signed, sealed,
and attested to for and on behalf of said Corporation by authority of its governing body

(CORPORATE SEAL)

(Assistant Secretary)

U. S. DEPARTMENT OF AGRICULTURE
Forest Service

By: _____
(Authorized Officer Signature)

Forest Supervisor Caribou-Targhee National Forest
(Name and Title)

(Date)

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This permit is accepted subject to the conditions set out above.

Date Oct. 31, 2003

By: Charles H. Ross
President

U. S. DEPARTMENT OF AGRICULTURE
Forest Service

By: Jay B. Rasmussen
(Authorized Officer Signature)

Forest Supervisor Caribou-Targhee National Forest
(Name and Title)

11/12/03
(Date)

ASSIGNMENT OF FEDERAL PHOSPHATE LEASE

RECEIVED
FEB 17 1995
BLM-DSO

Serial No. I-04

THIS ASSIGNMENT executed this 21st day of February, 1995, by and between CONDA PARTNERSHIP, an Idaho general partnership, hereinafter referred to as "Assignor," and NU-WEST MINING, INC., a Delaware corporation, 3010 Conda Road, Soda Springs, Idaho 83276, hereinafter referred to as "Assignee".

WITNESSETH:

WHEREAS, Assignor is the owner of 100% record title of Federal phosphate lease no. I-04 issued by the United States of America and covering the following described lands in Caribou County, Idaho:

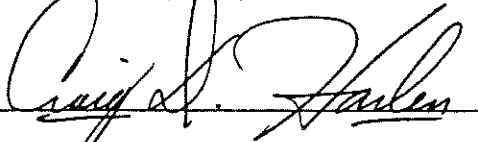
Township 7 South, Range 44 East, B.M. Idaho
Sec. 28, SW1/4SE1/4; Sec. 33, E1/2SE1/4, NW1/4SE1/4, NE1/4; Sec. 34, W1/2SW1/4.
Township 8 South, Range 44 East, B.M. Idaho
Sec. 3, lot 4, S1/2NW1/4, SW1/4, SW1/4SE1/4; Sec. 4, lot 1, SE1/4NE1/4;
Sec. 10, NE1/4NW1/4, W1/2NE1/4, SE1/4NE1/4, SE1/4;
Sec. 14, W1/2NW1/4, SE1/4NW1/4, E1/2SW1/4, NW1/4SW1/4, W1/2SE1/4;
Sec. 15, E1/2NE1/4.
Containing 1,522.24 acres

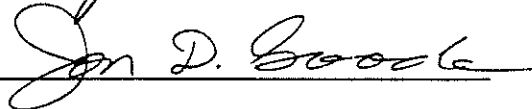
NOW, THEREFORE, for consideration received, Assignor does, by these presents sell, assign and transfer unto Assignee all (100%) of its right, title and interest in and to the above described Federal phosphate lease. Assignor retains no overriding royalties on this lease.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the day and year first above written.

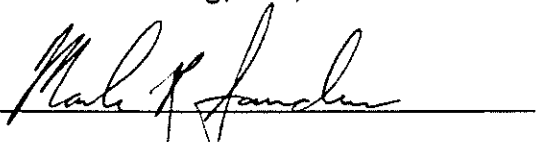
CONDA PARTNERSHIP, Assignor

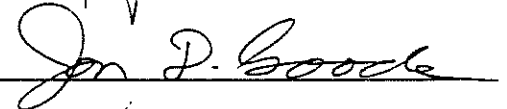
By: Nu-West Industries, Inc., General Partner

By: 

Witness: 

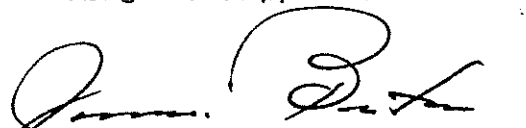
By: Nu-West Mining, Inc., General Partner

By: 

Witness: 

Assignment Approved Effective:

JUN 01 1995


Jimmie Buxton, SO Group Leader
Lands & Minerals Group