

Exhibit B

RELEASE AGREEMENT

THIS RELEASE, made this 6th day of May, 1983, is by and between SHERIDAN-WYOMING COAL COMPANY, INC., a Delaware corporation, whose address for purposes of this Release is c/o Kennedy, Connor and Healy, P.O. Box 607, Sheridan, Wyoming 82801 (hereinafter called the "Lessor"), and BIG HORN COAL COMPANY, a Wyoming corporation, of Sheridan, Wyoming, whose address for purposes hereof is One Thousand Kiewit Plaza, Omaha, Nebraska 68131 (hereinafter called the "Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee entered into a certain Coal Mining Lease on June 28, 1954, and Supplemental Coal Mining Lease Agreements dated February 15, 1956, October 1, 1957, and September 9, 1977, and entered into a certain Coal Mining Lease dated June 12, 1979, to lease certain property situate in Sheridan County, Wyoming, and more particularly described in Schedule "A" attached hereto and by this reference incorporated herein; and

WHEREAS, Lessee exercised by letter on September 5, 1968, the option provision in the Coal Mining Lease dated June 28, 1954, to extend the lease term for fifteen years, which subsequently provided for that lease to terminate on June 30, 1984; and

WHEREAS, Lessor and Lessee desire to settle certain claims with respect to the Leases and to mutually terminate certain obligations thereunder;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained, the Lessor and Lessee agree as follows:

1. Lessee agrees to release, relinquish, and surrender unto Lessor all right, title, interest, claim and demand in and to the Leases insofar as they cover certain coal ("Released Coal") situate in Sheridan County, Wyoming, and more particularly described in Schedule "B" attached hereto and by this reference incorporated herein. Lessee will release its interest in the Released Coal to the Lessor by executing and recording this Release, as provided by Section 34-2-130, Wyoming Statutes (1977).

2. Lessee agrees that its obligations under the Leases with respect to property covered by the present Pits 1, 4, and 5 and more particularly described by Schedule "C" attached hereto and by this reference incorporated herein, will continue in force and effect until June 30, 1984.

3. Lessee agrees to quit, vacate, and surrender possession of the property covered by the present Pit 5 to Peter Kiewit Sons' Co. on June 30, 1984.

4. Lessor shall be entitled to retake possession of any of the above-described Released Coal which is not currently in Lessor's possession immediately upon execution of this Agreement, and shall be relieved from further duties and obligations under the aforementioned lease with respect to the Released Coal.

5. Lessor expressly consents and agrees to allow Lessee to leave intact any and all permanent structures, stockpiles, or spoil materials (referred to herein collectively as "structures and stockpiles") currently located in Sections 9, 10, 14, 15, 21, and the N $\frac{1}{2}$ of Section 22 of T. 57N., R. 84W., 6th P.M., as more specifically identified in Schedule D attached hereto. Unless Lessor's express written consent is received, any temporary or permanent structures or stockpiles located south of old Wyoming State Highway 338 in the SE $\frac{1}{4}$ of Section 22 or the N $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 27 shall be located at Lessee's sole risk and expense, and shall be subject to the following express conditions: The placement of any temporary or permanent structures or stockpiles in that part of Section 22 south of old Wyoming State Highway 338 and in Section 27 shall be subject to the terms and conditions of the Road Relocation Agreement, dated August 7, 1981, between Big Horn Coal Company and Sheridan-Wyoming Coal Company. In addition, Lessee agrees to move any structures and stockpiles, including the relocation of Wyoming State Highway 338, as necessary, at its sole cost and expense, at such time as the Lessor, or its successors in interest, presents to Lessee a mine plan approved by all applicable governmental agencies to mine the coal in either Section 22 or 27. If the Lessor makes application for approval of a plan to mine any of the coal in the pertinent portions of these two sections, its application shall in no way be prejudiced by the existence of any structures or stockpiles or the location of State Highway 338 in these sections. Lessee will not oppose any such mine plan before any governmental agency and will take no action, direct or indirect, to induce any federal, state, or local agency to disapprove or otherwise object to such mine plan. If approval is conditioned upon Lessee's consent to remove or relocate the road or any structures or stockpiles, Lessee shall not withhold such consent. Lessor reserves the right to seek specific performance of this obligation in addition to any and all remedies available to Lessor including all remedies provided under the Road Relocation Agreement. The parties recognize that the payment of monetary damages will not adequately and sufficiently compensate Lessor in the event Lessee breaches its obligation to move the highway and any structures or stockpiles located on Section 27 and south of old Wyoming State Highway 338 in Section 22. Lessee expressly waives, and shall be estopped from asserting any defenses to Lessor's claim for specific performance of these obligations. If Lessee breaches

8/7/81 Road Re-
location Agrmt.

its obligation, Lessor may, at its option, undertake to relocate the highway and move any structures or stockpiles located on said parts or Sections 22 and 27, and Lessee agrees to reimburse Lessor for any and all costs and expenses resulting from such action.

6. With respect to the coal in those areas described in Schedule B that is to be released, Lessee agrees that it will, upon execution of this Agreement, continue to perform within eighteen months thereafter all abandonment, reclamation, and related procedures required by any applicable law or regulation subject to Paragraph 7 of this Release Agreement. With respect to the coal in those areas described in Schedule C that is to be released on June 30, 1984, Lessee agrees that it will, "by no later than December 31, 1985, perform all abandonment, reclamation and related procedures required by any applicable law or regulation. It is understood, however, that the final reclamation for the identified portion of Section 15 which involves the Pit 3 extension out-of-pit stockpile area, will not necessarily be completed until June of 1987 and that that portion identified in the N $\frac{1}{2}$ of Section 22, and north of old Wyoming State Highway 338 in the SE $\frac{1}{4}$ of Section 22 will need to be redisturbed in the early 1990's with placement of out-of-pit soil from the Pit 1 southeast extension. Such reclamation and restoration activities shall be conducted diligently and in compliance with all applicable federal, state or local laws and regulations, as the same may exist or be enacted or amended from time to time.

7. Lessee agrees to apply for transfer to Lessor, at the option of the Lessor, of those permits and governmental authorizations identified in Schedule E attached hereto and incorporated by this reference with respect to the Released Coal within thirty (30) days from the date of execution of this Release Agreement. Lessee also agrees to transfer, at the option of the Lessor, to the Lessor any and all permits and governmental authorizations with respect to the property covered by the present Pits 1 and 4 by June 30, 1984.

8. Lessee hereby agrees to and does hereby assume all liability for and indemnify, protect, save, and hold harmless Lessor and Lessor's assigns and successors from and against any and all losses, costs, expenses, attorneys' fees, claims, demands, suit, and actions of any character whatsoever (hereinafter referred to collectively as "Liabilities") imposed upon or incurred by the Lessor on account of or arising directly or indirectly out of or in connection with the operations of Lessee with respect to the Released Coal. In the event that any Liabilities arise or are contributed to by the negligence of the Lessor, Lessee's liability for payment of such Liabilities shall be reduced in proportion to the amount of Lessor's negligence.

Schedule A

TO THAT CERTAIN RELEASE AGREEMENT

DATED May 6 , 1983

BY AND BETWEEN

THE SHERIDAN-WYOMING COAL COMPANY, INC.

AND

BIG HORN COAL COMPANY

ALL COAL

Coal situate in Sheridan County, Wyoming and subject to the provisions of the Coal Mining Lease dated June 28, 1954, and Supplemental Coal Mining Lease Agreements dated February 15, 1956, October 1, 1957, and September 9, 1977, and the Coal Mining Lease dated June 12, 1979, refers to and is identified by any and all coal owned by SHERIDAN-WYOMING COAL COMPANY, INC., in Sheridan County which is subject to an option to lease, and all coal presently leased and outlined on the Property Map attached to this Schedule A and described as follows:

T. 57 N., R. 84 W., 6th P.M.:

Section 9:	E1/2	320 acres
Section 10:	W1/2	320 acres
Section 14:	That portion of SW1/4SW1/4 located south and west of the center of the Tongue River	11 acres
Section 15:	All of the NW1/4	160 acres
	SW1/4	160
	SW1/4NE1/4	40
	W1/2SE1/4	80
	That portion of NE1/4SE1/4 located southwest of the center of the Tongue River	6
	SE1/4SE1/4	40
	A tract of land in the NE1/4NE1/4 described as	

follows: "Beginning at a point on the west line of the NE1/4NE1/4 of Section 15, which point lies 150 ft. north of the southwest corner of the NE1/4NE1/4 of said Section 15; thence northeasterly to a point on the east line of the NE1/4NE1/4 of said Section 15, which point lies 150 ft. south of the northeast corner of the NE1/4NE1/4 of said Section 15, thence south to the southeast corner of the NE1/4NE1/4 of said Section 15, thence west to the southwest corner of the NE1/4NE1/4 of said Section 15; thence north along the west line of the NE1/4NE1/4 of said Section 15 to the point of beginning."

20 acres

But excepting the following described two parcels of land from said Section 15.

The land in the SW1/4 belonging to Carl Weissman and Sons described as follows: "Beginning at a point 50 ft. north 26°54'30" west of a point which is 1,984.5 ft. north 31°23' east from the southwest corner; thence north 69°6' west 100.51 ft.; thence north 26°54'30" west 420.82 ft.; thence north 24°54' east 127.24 ft.; thence south 86°14' east 509.5 ft.; thence south 26°55' east 363.2 ft.; thence south 69°6' west 477.6 ft. to the point of beginning."

(less 6 acres)

Also that tract belonging to Big Horn Coal Company known as the Acme townsite and

more particularly described as follows: "Beginning at a point 20 ft. west of the northwest corner of SE1/4SW1/4 of Section 15; thence north 0°42' west, a distance of 300 ft. along the east boundary of the present County Road; thence due east a distance of 130 ft.; thence south a distance of 300 ft., more or less, to the north boundary of the SE1/4SW1/4 of said Section 15; thence east along said boundary line a distance of 1,223 ft. to the northeast corner of the SE1/4SW1/4 of Section 15; thence south along the east boundary of said quarter section to the center of the present channel of Goose Creek; thence northwesterly along the center of Goose Creek to a point 20 ft. west of the west boundary of the SE1/4SW1/4 of Section 15; thence north to the point of beginning."

(less 25 acres)

Section 20: That portion of NE1/4 south of the county road which was formerly U.S. Highway 87
 N1/2SE1/4
 SE1/4SE1/4

122 acres
 80
 40

Section 21: That portion of N1/2 located north of BNRR right-of-way, except a tract of land described as follows: "All that part of the SW1/4NW1/4 of said Section 21 lying north of the north boundary line of the C.B.&Q. Railroad Company (BNRR) right-of-way."

151 acres

Section 22: ALL

640 acres

Section 27: NW1/4	160 acres
Section 28: That portion of E1/2 north of Wyoming State Highway 339	254 acres
	<hr/>
Subtotal	2604 acres, more or less
Less Section 15 exceptions	31 acres, more or less
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Total	2573 acres, more or less

Schedule B

TO THAT CERTAIN RELEASE AGREEMENT

DATED May 6, 1983

BY AND BETWEEN

THE SHERIDAN-WYOMING COAL COMPANY, INC.

AND

BIG HORN COAL COMPANY

RELEASED COAL

Coal situate in Sheridan County, Wyoming and described in the foregoing Release Agreement as the "Released Coal" refers to and identifies any and all coal owned by SHERIDAN-WYOMING COAL COMPANY, INC., in Sheridan County which is subject to an option to lease, and the coal which is presently leased and is described by the Property Map attached to Schedule A which is outlined in red and described as follows:

T. 57 N., R. 84 W., 6th P.M.:

Section 9:	S1/2NW1/4SE1/4 S1/2SE1/4	20 acres 80
Section 10:	S1/2S1/2SW1/4	40 acres
Section 15:	Northerly 3/8 (990 ft., more or less) of NW1/4	60 acres
Section 20:	That portion of NE1/4 south of the county road which was formerly U.S. Highway 87 N1/2SE1/4 SE1/4SE1/4	122 acres 80 40

245

Section 21:	That portion of N1/2 located north of BNRR right-of-way, except a tract of land described as follows: "All that part of the SW1/4NW1/4 of said Section 21 lying north of the north boundary line of the C.B.&Q. Railroad Company (BNRR) right-of-way."	151 acres
Section 22:	W1/2 That portion of SE1/4 south of the south boundary of the right of way for the old Wyoming State Highway 338	320 acres 83
Section 27:	NW1/4	160 acres
Section 28:	That portion of E1/2 north of Wyoming State Highway 339	254 acres
		<hr/>
Total		1410 acres, more or less

Schedule C

TO THAT CERTAIN RELEASE AGREEMENT
DATED May 6, 1983

BY AND BETWEEN
THE SHERIDAN-WYOMING COAL COMPANY, INC.
AND
BIG HORN COAL COMPANY

PITS 1, 4, 5

Coal situate in Sheridan County, Wyoming and described in the foregoing Release Agreement as the coal covered by the present Pits 1, 4, and 5 refers to and identifies the section of the Property Map attached to Schedule A which is outlined in blue and green and described as follows:

Section 9:	NE1/4	160 acres
	NE1/4SE1/4	40
	N1/2NW1/4SE1/4	20
Section 10:	NW1/4	160 acres
	N1/2SW1/4	80
	N1/2S1/2SW1/4	40
Section 14:	That portion of SW1/4SW1/4 located south and west of the center of the Tongue River	11 acres
Section 15:	All of the NW1/4 except the northerly 3/8 (990 ft., more or less) thereof	100 acres
	SW1/4	160
	SW1/4NE1/4	40
	W1/2SE1/4	80
	That portion of NE1/4SE1/4 located southwest of the center of the Tongue River	6
	SE1/4SE1/4	40
	A tract of land in the NE1/4NE1/4 described as	

follows: "Beginning at a point on the west line of the NE1/4 NE1/4 of Section 15, which point lies 150 ft. north of the southwest corner of the NE1/4 NE1/4 of said Section 15; thence north-easterly to a point on the east line of the NE1/4 NE1/4 of said Section 15, which point lies 150 ft. south of the northeast corner of the NE1/4 NE1/4 of said Section 15, thence south to the southeast corner of the NE1/4 NE1/4 of said Section 15, thence west to the southwest corner of the NE1/4 NE1/4 of said Section 15; thence north along the west line of the NE1/4 NE1/4 of said Section 15 to the point of beginning."

20 acres

But excepting the following described two parcels of land from said Section 15.

The land in the SW1/4 belonging to Carl Weissman and Sons described as follows: "Beginning at a point 50 ft. north 26°54'30" west of a point which is 1,984.5 ft. north 31°23' east from the southwest corner; thence north 69°6' west 100.51 ft.; thence north 26°54'30" west 420.82 ft.; thence north 24°54' east 127.24 ft.; thence south 86°14' east 509.5 ft.; thence south 26°55' east 363.2 ft.; thence south 69°6' west 477.6 ft. to the point of beginning."

(less 6 acres)

Also that tract belonging to Big Horn Coal Company known as the Acme townsite and more particularly described as follows: "Beginning at a point 20 ft. west of the northwest corner of SE1/4SW1/4 of Section 15; thence north 0°42' west, a distance of 300 ft. along the east boundary of the present County Road; thence due east a distance of 130 ft.; thence south a distance of 300 ft., more or less, to the north boundary of the SE1/4SW1/4 of said Section 15; thence east along said boundary line a distance of 1,223 ft. to the northeast corner of the SE1/4SW1/4 of Section 15; thence south along the east boundary of said quarter section to the center of the present channel of Goose Creek; thence northwesterly along the center of Goose Creek to a point 20 ft. west of the west boundary of the SE1/4SW1/4 of Section 15; thence north to the point of beginning."

(less 25 acres)

Section 22: NE1/4

That portion of SE1/4 located north of the south boundary of the right of way for the old Wyoming State Highway 338

160 acres

77

Subtotal

1194 acres, more or less

Less Section 15 exceptions

31 acres, more or less

Total

1163 acres, more or less

Schedule D

TO THAT CERTAIN RELEASE AGREEMENT

DATED May 6, 1983

BY AND BETWEEN

THE SHERIDAN-WYOMING COAL COMPANY, INC.

AND

BIG HORN COAL COMPANY

ENCUMBERED SURFACE

Property situate in Sheridan County, Wyoming and described in the foregoing Release Agreement, refers to and identifies that property upon which Big Horn Coal Company has placed or will place permanent structures or stockpiles and is described as follows:

T57N, R84W, 6th P.M.

- Section 9: NE1/4 (160 acres)
- Section 10: S1/2SW1/4 (80 acres)
- Section 14: That portion of the SW1/4SW1/4 located south and west of the center of the Tongue River (11 acres)
- Section 15: W1/2SE1/4 (80 acres)
That portion of the NE1/4SE1/4 located southwest of the center of the Tongue River (6 acres)
SE1/4SE1/4 (40 acres)
N1/2NE1/4 (80 acres)
SW1/4NE1/4 (40 acres)
NW1/4 (160 acres)
- Section 21: The portion of the N1/2 located north of BNRR right-of-way, except a tract of land described as follows:
"All that part of the SW1/4NW1/4 of said Section 21 lying north of the north boundary line of the C.B. & Q. Railroad Company (BNRR) right-of-way." (151 acres)
- Section 22: N1/2 (320 acres)

Schedule E

TO THAT CERTAIN RELEASE AGREEMENT

DATED May 6, 1983

BY AND BETWEEN

THE SHERIDAN-WYOMING COAL COMPANY, INC.

AND

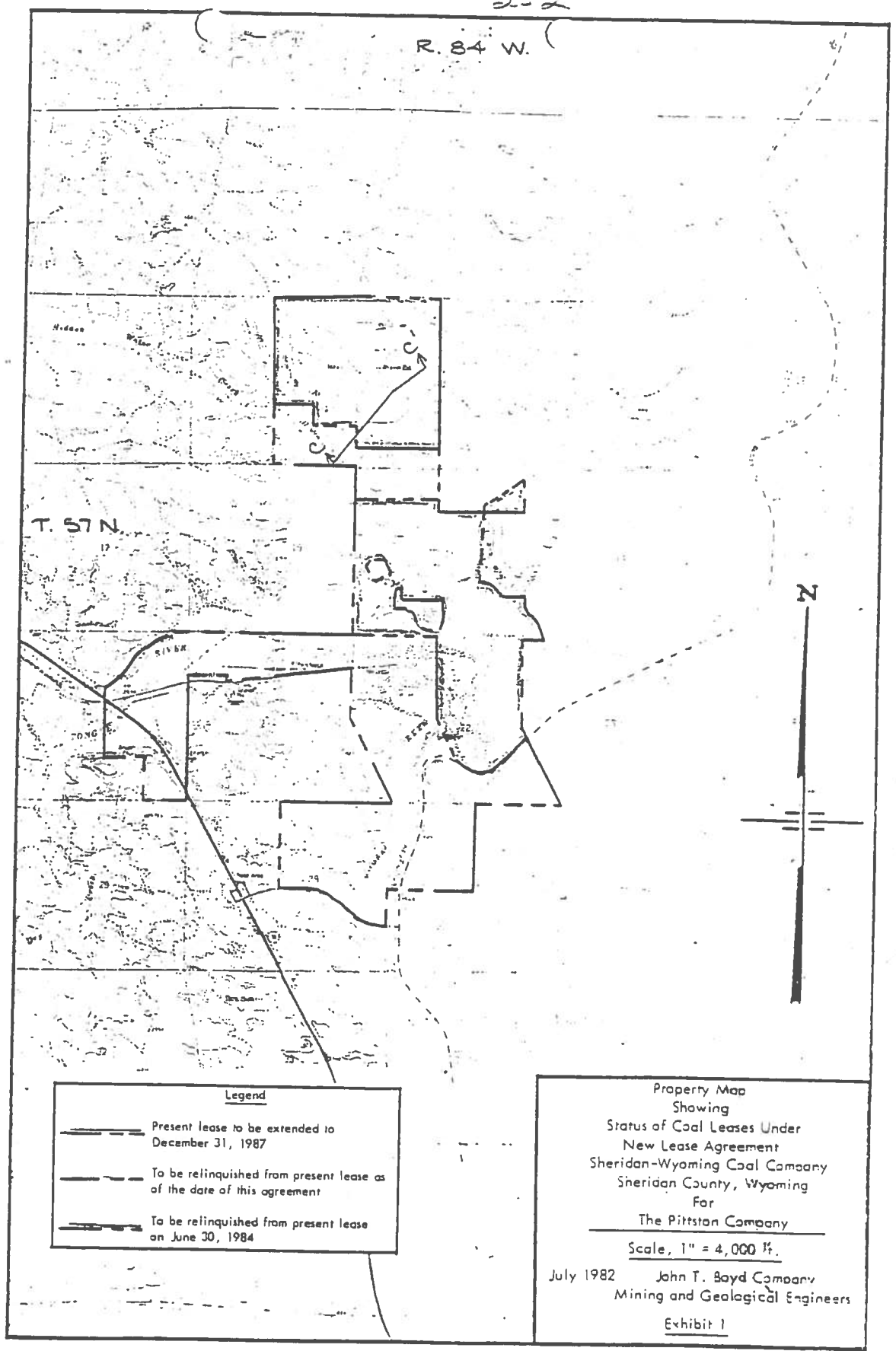
BIG HORN COAL COMPANY

LIST OF PERMITS

The following list of permits represent those permits that shall be transferred by the Lessee to the Lessor, upon Lessor's request, in order for Lessor to continue coal mining operations on the Released Coal:

Permit to Mine
Air Quality Permit
Wastewater Discharge Permit
Solid Waste Management and Disposal Permit
NPDES Discharge Permit
Construction Permit
Blasting/Explosives Permit
Sanitation Permit
MSHA
FCC

All transferrable local permits covering land use, air quality, water quality, etc.



R. 84 W.

T. 57 N.

Legend

—— Present lease to be extended to December 31, 1987

- - - - To be relinquished from present lease as of the date of this agreement

▨▨▨▨ To be relinquished from present lease on June 30, 1984

Property Map
 Showing
 Status of Coal Leases Under
 New Lease Agreement
 Sheridan-Wyoming Coal Company
 Sheridan County, Wyoming
 For
 The Pittston Company

Scale, 1" = 4,000 ft.

July 1982 John T. Boyd Company
 Mining and Geological Engineers

Exhibit 1