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December 4, 2015

**ELECTRONICALLY FILED**

Public Utility Commission of Oregon  
Filing Center  
201 High Street SE, Suite 100  
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Salem, Oregon 97301

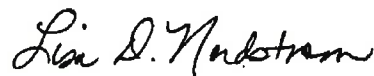
RE: UP \_\_\_\_ – In the Matter the Application of Idaho Power Company Requesting  
Approval of a Property Sale of a Dragline and Associated Parts  
**EXPEDITED CONSIDERATION REQUESTED**

Attention Filing Center:

Attached for filing is an electronic copy of Idaho Power Company's Application requesting approval of a property sale of a dragline and associated parts. Idaho Power seeks expedited consideration of this request, which concerns the same equipment that is the subject of Pacific Power's filing in UP 333.

Please contact me at (208) 388-5825 or Senior Regulatory Analyst Courtney Waites at (208) 388-5612 with any questions regarding this filing.

Very truly yours,



Lisa D. Nordstrom

LDN/kkt

Enclosures

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 UP \_\_\_\_\_

4 In the Matter of the Application of Idaho )  
5 Power Company for an Order Authorizing )  
6 the Sale of a Dragline and Associated )  
7 Parts. )

**APPLICATION**

***Expedited Consideration Requested***

8 Pursuant to ORS § 757.480(1)(a) and OAR 860-027-0025, Idaho Power Company  
9 (“Idaho Power” or “Company”) seeks approval from the Public Utility Commission of  
10 Oregon (“Commission”) for an order authorizing the sale by Bridger Coal Company  
11 (“BCC”) of the Page 732E Dragline and associated parts (“Dragline”) to Titan Florida, LLC  
12 (“Titan”). The Company respectfully requests expedited treatment of this Application in  
13 order to allow the buyer to secure the Dragline for winter and desires Commission  
14 approval of the sale by January 15, 2016.

15 **I. INTRODUCTION**

16 BCC, a joint venture between Idaho Energy Resources Co. (“IERCo”) and Pacific  
17 Minerals, Inc. (“Pacific Minerals”), mines and supplies coal to the Jim Bridger generating  
18 plant (“Jim Bridger plant”), located in Sweetwater County, Wyoming. Idaho Power is the  
19 parent of IERCo and PacifiCorp is the parent of Pacific Minerals. The Jim Bridger plant is  
20 owned by Idaho Power (one-third) and PacifiCorp (two-thirds). BCC is located in  
21 southwestern Wyoming and consists of two principal operating units: a surface operation  
22 and an underground operation. The coal from both operations is delivered to the Jim  
23 Bridger plant.

24 Surface mining operations began in 1974 at which time the Dragline was put into  
25 service. The Dragline is a large, earth moving machine consisting of a large bucket that is  
26 suspended from a boom and is maneuvered by ropes and chains. The Dragline is used to

1 remove overburden to expose the coal seam for extraction. Over time, as the demand for  
2 coal increased, the size and configuration of the Dragline became too small to continue to  
3 operate economically at the Bridger surface mine.

## 4 **II. ASSETS SUBJECT TO SALE**

5 The Dragline has been out of service since 1998 and BCC has attempted to  
6 negotiate the sale of the Dragline to various parties over time but the transaction has been  
7 hindered by the cost to disassemble, transport, update componentry, and reassemble.  
8 Because it has been cost prohibitive to prospective buyers, BCC commissioned an  
9 equipment broker to locate a purchaser and determine a purchase price by soliciting offers  
10 for the equipment. Under the terms of the Page 732 Dragline Purchase Agreement  
11 between Titan and BCC ("Agreement"), BCC agrees to sell the Dragline described in the  
12 Agreement for \$500,000, which includes an earnest money deposit of \$50,000, and is  
13 subject to a \$50,000 brokerage fee. The sales price is approximately \$190,000 above the  
14 current net book value. Titan will be responsible for paying BCC the applicable sales tax  
15 and for the dismantling, packaging, and removal of the Dragline.

## 16 **III. REASON FOR THE PROPERTY TRANSACTION**

17 Pursuant to ORS § 757.480(1)(a), "a public utility doing business in Oregon shall not,  
18 without first obtaining the Public Utility Commissions approval of such transaction: (a) . . .  
19 sell, lease, assign or otherwise dispose of the whole of the property of such public utility  
20 necessary or useful in the performance of its duties to the public or any part thereof of a  
21 value in excess of \$100,000." The sale of the Dragline by BCC will not adversely affect  
22 IERCo, Idaho Power, or its customers. In fact, a sales price of approximately \$190,000  
23 above net book value will result in proceeds that flow through BCC's income statement,  
24 resulting in a lower overall cost of production at the Jim Bridger plant over time.  
25 Ultimately, these cost reduction benefits will flow to Idaho Power's customers in the form  
26 of reduced coal fuel expenses as compared to what would have otherwise existed.

1 It is also important to note that customer rates currently do not reflect expenses  
2 associated with the Dragline. Although the Dragline has not been in service, under the  
3 Commission-approved ratemaking treatment of IERCo, customer rates have not been  
4 adversely impacted. Depreciation expense is a part of the overall expenses of BCC's coal  
5 operations, initially appearing in fuel inventory costs at Idaho Power as coal sales from  
6 BCC to Idaho Power, and is ultimately reflected in Federal Energy Regulatory Commission  
7 ("FERC") Account 501 – Fuel Expense Coal when the coal is burned at the plant. When  
8 the Dragline was taken out of service, depreciation ceased and therefore was not reflected  
9 in fuel inventory costs, resulting in lower overall costs to Idaho Power and its customers.

10 **IV. COMPLIANCE WITH OAR 860-027-0025(1) FILING REQUIREMENTS**

11 Pursuant to the requirements of OAR 860-027-0025(1), Idaho Power represents as  
12 follows:

13 **A. The Exact Name and Address of the Utility's Principal Business Office.**

14 Idaho Power Company, 1221 West Idaho Street (83702), P.O. Box 70, Boise, Idaho  
15 83707-0070.

16 **B. The State in Which Incorporated, the Date of Incorporation, and the  
17 Other States in Which Authorized to Transact Utility Operations.**

18 Idaho Power was incorporated under the laws of the state of Maine on May 6, 1915,  
19 and migrated its state of incorporation from the state of Maine to the state of Idaho  
20 effective June 30, 1989. It is qualified as a foreign corporation to do business in the states  
21 of Oregon, Nevada, Montana, and Wyoming in connection with its utility operations. Idaho  
22 Power is authorized to provide retail electric service in Idaho and Oregon.

23 **C. Name and Address of the Person on Behalf of Applicant Authorized to  
24 Receive Notices and Communications in Respect to the Applications.**

25 The name and address of the persons authorized on behalf of Idaho Power to  
26 receive notices and communications in respect to this Application are:

1 Lisa D. Nordstrom, Lead Counsel  
2 Idaho Power Company  
3 1221 West Idaho Street (83702)  
4 P.O. Box 70  
5 Boise, Idaho 83707  
6 Telephone: (208) 388-5825  
7 Facsimile: (208) 388-6936  
8 [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

Regulatory Dockets  
Idaho Power Company  
1221 West Idaho Street (83702)  
P.O. Box 70  
Boise, Idaho 83707  
[dockets@idahopower.com](mailto:dockets@idahopower.com)

9 **D. The Names, Titles, and Addresses of the Principal Officers.**

10 As of December 1, 2015, the names, titles, and addresses of the principal officers of  
11 Idaho Power are as follows:

<u>Name</u>	<u>Title</u>
Darrel T. Anderson	President and Chief Executive Officer
Daniel B. Minor	Executive Vice President and Chief Operating Officer
Rex Blackburn	Sr. Vice President and General Counsel
Lisa A. Grow	Sr. Vice President of Power Supply
Steven R. Keen	Sr. Vice President, Chief Financial Officer and Treasurer
Lonnie G. Krawl	Vice President of Human Resources, Administrative Services and Chief Information Officer
Jeffrey L. Malmen	Vice President of Public Affairs
N. Vern Porter	Sr. Vice President of Customer Operations
Gregory W. Said	Vice President of Regulatory Affairs
Lori D. Smith	Vice President and Chief Risk Officer
Patrick A. Harrington	Corporate Secretary
Ken Peterson	Vice President, Controller and Chief Accounting Officer

1 The address of all of the above officers is:

2 1221 West Idaho Street (83702)  
3 P.O. Box 70  
4 Boise, Idaho 83707-0070

5 **E. A Description of the General Character of the Business Done and to Be Done, and a Designation of the Territories Served, by Counties and States.**

6 Idaho Power is an electric public utility engaged principally in the generation,  
7 purchase, transmission, distribution, and sale of electric energy in a 24,000 square mile  
8 area over southern Idaho, and in the counties of Baker, Harney, and Malheur in eastern  
9 Oregon. A map showing Idaho Power's service territory is on file with the Commission as  
10 Exhibit H to Idaho Power's application in Docket No. UF 4063.

11 **F. A Statement, as of the Date of the Balance Sheet Submitted With the Application, Showing For Each Class and Series of Capital Stock: Brief Description; the Amount Authorized (Face Value and Number of Shares); the Amount Outstanding (Exclusive of Any Amount Held in the Treasury); Amount Held as Reacquired Securities; Amount Pledged; Amount Owned By Affiliated Interests; and Amount Held in Any Fund.**

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15 Idaho Power requests the Commission waive the requirements of OAR 860-027-  
16 0025(1)(f) because this transaction does not involve the issuance of securities. A grant of  
17 this waiver will not impede the Commission's analysis of this Application.

18 **G. A Statement, as of the Date of the Balance Sheet Submitted With the Application, Showing for Each Class and Series of Long-Term Debt and Notes: Brief Description (Amount, Interest Rate and Maturity); Amount Authorized; Amount Outstanding (Exclusive of Any Amount Held in the Treasury); Amount Held as Reacquired Securities; Amount Pledged; Amount Held By Affiliated Interests; and Amount in Sinking and Other Funds.**

19  
20  
21  
22 Idaho Power requests the Commission waive the requirements of OAR 860-027-  
23 0025(1)(g) because this transaction does not involve the issuance of securities. A grant of  
24 this waiver will not impede the Commission's analysis of this Application.

1           **H.     Whether the Application Is for Disposition of Facilities by Sale, Lease,**  
2           **or Otherwise, a Merger or Consolidation of Facilities, or for Mortgaging**  
3           **or Encumbering Its Property, or for the Acquisition of Stock, Bonds, or**  
              **Property of Another Utility, Also a Description of the Consideration, If**  
              **Any, and the Method of Arriving at the Amount Thereof.**

4           This Application requests approval of the sale of the Dragline by BCC to Titan.  
5           Because the purchase has been cost prohibitive to prospective buyers, BCC  
6           commissioned an equipment broker to locate a purchaser and determine a purchase price  
7           by soliciting offers for the equipment. The total sales price of the Dragline is \$500,000,  
8           which is subject to a \$50,000 brokerage fee. The sales price is approximately \$190,000  
9           above the current net book value. Titan will be responsible for paying BCC the applicable  
10          sales tax and for the dismantling, packaging, and removal of the Dragline. A sales price of  
11          approximately \$190,000 above net book value will result in proceeds that flow through  
12          BCC's income statement, resulting in a lower overall cost of production at the Jim Bridger  
13          plant over time.

14          **I.     A Statement and General Description of Facilities to Be Disposed of,**  
15          **Consolidated, Merged, or Acquired from Another Utility, Giving a**  
16          **Description of Their Present Use and of Their Proposed Use After**  
17          **Disposition, Consolidation, Merger, or Acquisition. State Whether the**  
              **Proposed Disposition of the Facilities or Plan for Consolidation, Merger,**  
              **or Acquisition Includes All the Operating Facilities of the Parties to the**  
              **Transaction.**

18          The subject property consists of the Dragline as set forth in subsection (h) above.

19          **J.     A Statement by Primary Account of the Cost of the Facilities and**  
20          **Applicable Depreciation Reserve Involved in the Sale, Lease, or Other**  
21          **Disposition, Merger or Consolidation, or Acquisition of Property of**  
22          **Another Utility. If Original Cost Is Not Known, an Estimate of Original**  
23          **Cost Based, to the Extent Possible, Upon Records or Data of the**  
              **Applicant or Its Predecessors Must Be Furnished, a Full Explanation of**  
              **the Manner in Which Such Estimate Has Been Made, and a Statement**  
              **Indicating Where All Existing Data and Records May Be Found.**

24          Please refer to Exhibit J, which demonstrates the cost of the facilities by primary  
25          account.

26

1           **K.     A Statement as to Whether or Not Any Application With Respect to the**  
2           **Transaction or Any Part Thereof, Is Required to Be Filed With Any**  
3           **Federal or Other State Regulatory Body.**

4           Idaho Power is not required to file an application for approval from any other federal  
5           or state regulatory body with respect to the transaction.

6           **L.     The Facts Relied Upon by Applicants to Show that the Proposed Sale,**  
7           **Lease, Assignment, or Consolidation of Facilities, Mortgage or**  
8           **Encumbrance of Property, or Acquisition of Stock, Bonds, or Property**  
9           **of Another Utility Will Be Consistent With the Public Interest.**

10           The sale of the Dragline by BCC will not adversely affect IERCo, Idaho Power, or its  
11           customers. In addition to the Dragline being undersized and not used for current mine  
12           operations, a sales price of approximately \$190,000 above net book value will result in  
13           proceeds that flow through BCC's income statement, resulting in a lower overall cost of  
14           production at the Jim Bridger plant over time. Ultimately, these cost reduction benefits will  
15           flow to Idaho Power's customers in the form of reduced coal fuel expenses as compared  
16           to what would have otherwise existed.

17           **M.     The Reasons, in Detail, Relied Upon by Each Applicant, or Party to the**  
18           **Application, for Entering into the Proposed Sale, Lease, Assignment,**  
19           **Merger, or Consolidation of Facilities, Mortgage or Encumbrance of**  
20           **Property, Acquisition of Stock, Bonds, or Property of Another Utility,**  
21           **and the Benefits, If Any, to Be Derived by the Customers of the**  
22           **Applicants and the Public.**

23           See Sections I and II and subsections (h) and (l) above.

24           **N.     The Amount of Stock, Bonds, or Other Securities, Now Owned, Held or**  
25           **Controlled by Applicant, of the Utility from Which Stock or Bonds Are**  
26           **Proposed to be Acquired.**

          Not applicable.

**O.     A Brief Statement of Franchises Held, Showing Date of Expiration If Not**  
          **Perpetual, or, in Case of Transfer/Sale, that Transferee Has the**  
          **Necessary Franchises.**

          Not applicable.



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**V. COMPLIANCE WITH OAR 860-027-0025(2) FILING REQUIREMENTS FOR IDAHO POWER COMPANY**

The following exhibits are submitted and by reference made a part of this Application:

**A. Exhibit A. Articles of Incorporation.**

A copy of Idaho Power’s Restated Articles of Incorporation, as amended on May 17, 2012, has heretofore been filed with the Commission in Docket UF 4278, reference to which is hereby made.

**B. Exhibit B. Bylaws.**

A copy of Idaho Power’s Bylaws, as amended, has heretofore been filed with the Commission in Docket UF 4214, reference to which is hereby made.

**C. Exhibit C. Resolution of Directors Authorizing Transaction.**

This transaction did not require approval from IERCo’s Board of Directors.

**D. Exhibit D. Mortgages, Trust, Deeds, or Indentures Securing Obligation of Each Party.**

None.

**E. Exhibit E. Balance Sheet Showing Booked Amounts, Adjustments to Record the Proposed Transaction and Pro Forma, With Supporting Fixed Capital or Plant Schedules in Conformity With the Forms in the Annual Report.**

The sale of the Dragline by BCC to Titan herein will not materially affect Idaho Power’s balance sheet. Idaho Power respectfully requests that the requirement to provide pro forma information be waived because the subject transaction is not expected to materially affect Idaho Power’s financial statements.

**F. Exhibit F. Known Contingent Liabilities.**

Idaho Power respectfully requests a waiver of this requirement because there are no known contingent liabilities associated with this transaction.

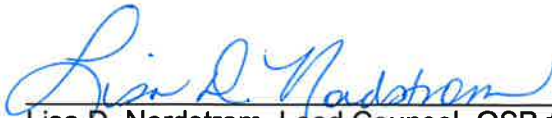


1 Dated this 4<sup>th</sup> day of December, 2016.

2 Respectfully Submitted,

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Lisa D. Nordstrom, Lead Counsel, OSB #97352

6

On Behalf of Idaho Power Company

1221 West Idaho Street (83702)

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P.O. Box 70

Boise, Idaho 83707

8

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# **Attachment 1**

## PAGE 732 DRAGLINE PURCHASE AGREEMENT

This PAGE 732 DRAGLINE PURCHASE AGREEMENT ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015 (the "Effective Date") between BRIDGER COAL COMPANY, a joint venture between Pacific Minerals Inc. and Idaho Energy Resources Co., organized under the laws of the state of Wyoming ("Seller"), and TITAN FLORIDA LLC, a Delaware limited liability company ("Buyer"). Seller and Buyer sometimes are referred to individually as "Party" and collectively as the "Parties."

### RECITALS

WHEREAS, Seller owns a used Page 732 walking dragline and certain associated spare parts and documentation all of which are located at Seller's Bridger Coal Mine northeast of Point of Rocks, Sweetwater County, Wyoming (the "Mine") as shown in the attached Exhibit A; and

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, such dragline, parts and documentation on the terms set forth herein;

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. At the Closing, Seller shall sell, convey, transfer and assign to the Buyer in an "AS-IS, WHERE-IS" condition, and Buyer shall purchase and acquire from Seller, subject to the terms and conditions herein contained: (i) that certain used Page 732 walking dragline, Serial No. 732-350 (excluding any electrical transformers described in Section 3) (the "Dragline"), located at the Mine, including two buckets that correspond to Serial No. 732-350; (ii) associated spare parts physically present in close proximity to the Dragline as of the date this Agreement is executed ("Parts"); and (iii) operations and maintenance manuals in Seller's possession or control ("Documentation," together with the Dragline and the Parts, the "Equipment").

2. Subject to the terms and conditions of this Agreement and in consideration of Seller's sale and conveyance of the Equipment, Buyer shall pay to Seller the sum of Five Hundred Thousand Dollars (\$500,000.00) as follows:

(a) Buyer shall make an earnest money deposit (the "Deposit") equal to Fifty Thousand Dollars (\$50,000) within ten (10) days of the Effective Date. Except to the extent that the Closing does not occur due to the failure of a condition under Section 20 of this Agreement: (i) the Deposit shall be non-refundable; and (ii) the Deposit shall be forfeited by Buyer if the Closing does not occur by December 31, 2016, in which case this Agreement shall be terminated in all respects. Buyer and Seller agree that the forfeiture of the Deposit shall constitute liquidated damages intended to compensate Seller for the damages sustained by Seller in the event of a Buyer Default. Buyer and Seller stipulate that this is a reasonable forecast of Seller's actual damages and not a penalty. Buyer and Seller further stipulate that

such liquidated damages shall be the sole remedy of Seller. If Closing does not occur due to the failure of a condition under Section 20 of this Agreement, this Agreement may be terminated by Buyer in its sole discretion and the Deposit shall be promptly returned to Buyer.

(b) At Closing, Buyer shall pay the remaining Four Hundred Fifty Thousand Dollars (\$450,000) via wire transfer (in accordance with instructions to be provided by Seller).

(c) At Closing, Buyer shall pay Seller the sales taxes (currently estimated to be approximately Thirty Thousand Dollars (\$30,000)) and any other fees imposed by upon the transaction by applicable governmental authorities.

3. Subject to Section 4, Buyer shall, at its sole risk and expense (except for those expenses Seller specifically agrees to assume herein): (i) dismantle, package and completely remove the Dragline from the Mine and remove the Parts from the pad adjacent to the dragline (the "Removal Services") no later than June 30, 2017 ("Removal Deadline"). In that regard, Buyer shall arrange for all tools, equipment, machinery, labor and other goods and services necessary to accomplish the Removal Services and Buyer's other obligations under this Agreement; and Seller shall have no obligation to provide any such goods, services, oversight or any other assistance in that regard except as specifically provided herein. In performing the Removal Services, Buyer shall perform work at the existing site of the Dragline and utilize an existing access road located at the Mine. Reclaimed and native areas adjacent to the site of the Dragline shall not be disturbed by the Buyer. Exhibit A includes a map of the locations described above. Notwithstanding anything to the contrary contained herein, every electrical transformer determined prior to removal from the Mine to contain polychlorinated biphenyls in concentrations above 50 parts per million will not be included as part of the Dragline, shall remain the property of Seller, and shall be removed by Buyer and left at the Mine in a manner and at a location approved of by Seller. In the event that Buyer does not perform the Removal Services in accordance with the Removal Deadline, Seller shall have the right to perform such Removal Services and deliver the Dragline and Parts to an appropriate storage area, all at Buyer's cost. This right shall be in addition to any other rights and remedies that may be available at law.

4. The Removal Deadline shall be extended day-for-day to the extent that the Removal Services, as applicable, cannot be completed by the applicable deadline because of Force Majeure (as hereinafter defined) experienced by Buyer, provided Buyer gives Seller notice of such Force Majeure within five (5) business days of the onset thereof, and Buyer, as appropriate, uses its reasonable best efforts to eliminate such Force Majeure insofar as possible with a minimum of delay. "Force Majeure" as used herein shall mean any cause, condition or matter beyond Buyer's reasonable control and could not have been avoided by the exercise of due diligence and that wholly or partly prevent, alter or delay the performance by Buyer of its obligations or responsibilities under this Agreement, such as, for example and not by way of limitation, strikes, riots, government insurrections, severe weather, storms, fires, floods or damage to or destruction of machinery, equipment or facilities, labor disputes or other industrial disturbances, explosions, releases, lightning, wind or other natural disasters or the actions or inactions of any governmental authority.

5. Following the Closing, Buyer shall give at least one month's written notice (or such shorter notice as may be approved by Seller in Seller's sole discretion) to Seller of the time period

during which Buyer intends to conduct and complete the Removal Services.

6. Seller shall make available to Buyer access to the existing road in order to allow Buyer to haul the Dragline more directly to County Road 4-15 rather than through the Mine's main gate when removing the Dragline from the Mine.

7. Upon advance notice to, and as reasonably approved by, Seller, Buyer shall take all reasonable measures to protect the Dragline and the Parts against any and all loss, damage, theft, vandalism or other injury to the Dragline or the Parts following the Closing and prior to completion of the Removal Services. Seller shall have no obligation in that regard other than to employ its usual and customary security and other protective services at the Mine, and Seller shall have no liability of any kind or character for any loss, damage, theft, vandalism or other injury to the Dragline or the Parts following the Closing, regardless of when the same occurs; provided, however, that this waiver shall not apply to loss, damage, theft, vandalism or other injury to the extent such rises out of the negligence or willful misconduct of Seller.

8. Buyer shall perform the Removal Services in compliance with all applicable environmental laws. Buyer shall supply approved containers for disposal of all waste oils and greases removed by Buyer from the Dragline and all solvents used by Buyer in dismantling and cleaning the Dragline. Seller shall dispose of such waste oils, greases and solvents.

9. Following completion of the Removal Services, Buyer shall promptly remove any and all rubbish, tools and surplus materials (excepting only transformers that contain polychlorinated biphenyls in concentrations above 50 parts per million) from and about the existing location of the Dragline (where the Removal Services are to be performed by Buyer), the access road and adjacent areas. Buyer, at its sole expense, shall restore Seller's property to a condition substantially similar to the condition that existed before Buyer commenced the Removal Services.

10. Notwithstanding Seller's obligations under Section 8, if Buyer allows, causes or permits a release of toxic, hazardous or other regulated substances at the Mine, Buyer shall promptly report and clean up the same in accordance with all applicable laws, rules, regulations and ordinances and indemnify Seller against all claims or damages in that regard.

11. Buyer, for itself and for its contractors, laborers and materialmen, covenants and agrees that no mechanics' liens or claims of any kind or character will be filed or maintained against the Mine or any part thereof or any interests therein or any improvements thereon, for or on account of or in connection with this Agreement, and Buyer does hereby expressly waive, release and relinquish all rights to file or maintain such liens and claims and shall hold harmless and indemnify Seller against all such liens or claims.

12. Buyer shall obtain, at its own expense, all approvals, registrations, licenses or other permits, required by any federal, state or local laws, rules or regulations in connection with this Agreement.

13. Buyer shall comply with all federal, state, and local laws, rules, regulations, ordinances, and Seller's safety policies (a copy of which is attached as Exhibit B) and environmental

practices as they may apply in regard to this Agreement. Buyer shall fully indemnify, defend and save harmless Seller, its joint venturers and their affiliates, and each of their officers, directors and employees, from and against any and all citations, orders, fines, liabilities, penalties, demands, claims, causes of action, suits, losses, damages, costs and expenses (including reasonable attorneys' fees) which Seller may be charged with, accused of, suffer, incur, be responsible for or pay out by reason of Buyer's actions or inactions in connection with this Agreement.

14. Buyer shall obtain and maintain throughout the term of this Agreement, and shall cause every contractor hired by Buyer throughout the time that it performs work at the Mine to obtain and maintain, insurance of the following types and amounts (which amounts shall not limit the scope of the indemnities provided by Buyer in this Agreement):

- (a) Workers' Compensation Insurance - Workers' Compensation Insurance for all employees of Buyer or contractor, as applicable, employed in the Removal Services.
- (b) General Liability Insurance (Bodily Injury and Property Damage) - Such insurance shall be \$1,000,000 per occurrence/\$2,000,000 annual aggregate for bodily injury and property damage on a combined single limit basis. Such insurance shall also cover contractual liability, products/completed operations and personal injury for all work performed in connection with this Agreement.
- (c) Automobile Vehicle Liability Insurance - Automobile vehicle insurance shall cover all owned, non-owned, hired and rented automotive equipment used in all work performed in connection with this Agreement. It shall be in an amount not less than \$1,000,000 on a combined single limit basis for bodily injury and property damage liability.
- (d) Umbrella Liability Insurance - Umbrella liability insurance with a minimum limit of \$5,000,000 each occurrence/aggregate to be excess of the coverages and limits required in Section 14 (b) and (c).

Buyer's obligations under this Section 14 are in addition to and not in limitation of Buyer's indemnification obligations under this Agreement. Buyer shall cause Seller to be named on all such policies of insurance described in clauses (b), (c) and (d) above as an additional insured and to be given advance notice by the insurer(s) of cancellation or material change to any such policies in accordance with the terms and conditions of such policies. All such policies shall be primary insurance with respect to liability arising from Buyer's obligations under this Agreement and shall be so endorsed. Any insurance carried by Seller shall not participate as to any loss or claim for which insurance provided hereunder applies.

15. Seller represents and warrants to Buyer that:

- (a) Seller is a joint venture organized under the laws of the State of Wyoming, has all necessary power and authority to own its properties and assets and to carry on the business activities in which it is engaged, and is duly qualified to do business in the State of Wyoming;
- (b) Seller has the necessary power and authority to execute and deliver this Agreement



and to consummate the transaction contemplated hereby. This Agreement constitutes a valid and binding obligation of Seller;

(c) The execution and delivery of this Agreement is not, and the performance of the transaction contemplated by this Agreement will not be, in violation or breach of, does not conflict with or constitute a default under, and will not accelerate or permit the acceleration of the performance required by, any of the terms or provisions of the joint venture agreement(s) of Seller. The execution and delivery of this Agreement and the performance of the transaction hereunder will not violate any law, judgment, decree, order, rule, regulation, permit or authorization of any governmental authority or court applicable to Seller. No consent of any person is required for execution, delivery or performance of this Agreement by Seller;

(d) To the best of Seller's knowledge, there are no actions, suits, claims, condemnations, governmental investigations or other legal or administrative proceedings, either pending or threatened against or relating to Seller, (including, without limitation, any injunction or encumbrance, environmental or otherwise, related to the Equipment and the disturbance or removal thereof) which would have a material and adverse effect on Seller's ability to perform its obligations hereunder; and

(e) Seller has good and marketable title to the Equipment, free and clear of any mortgage, liability, claim, security interest, pledge, charge, agreement, option, lien or encumbrance, except liens for current taxes not yet due and payable. Seller is entitled to possess and dispose of the Equipment.

(f) Seller is not party to, bound or affected by or subject to any (a) Contract; (b) charter or bylaw; or (c) Laws or Governmental Authorizations material to the operation of the Business and/or the sale of the Equipment, which would be violated, breached by, or under which default would occur or an Encumbrance would be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other Agreement to be entered into under the terms of this Agreement. There has been no sale, assignment, subletting, licensing or granting of any rights in or other disposition of or in respect of any of the Equipment or any granting of any agreement or right capable of becoming an agreement or option for the purchase, assignment, subletting, licensing or granting of any rights in or other disposition of any of the Equipment other than pursuant to the provisions of, or as disclosed in, this Agreement.

Subject to Section 17, Seller hereby agrees to defend, indemnify and hold harmless Buyer from and against any claims asserted, actions, damages, losses, costs and expenses (including, but not limited to, reasonable attorneys' fees) occasioned or caused by, resulting from or arising out any inaccuracy in or breach of any of the representations or warranties of Seller set forth in this Section

16. Buyer represents and warrants to Seller that:

(a) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, has all necessary corporate power and corporate authority to own its properties and assets and to carry on the business activities in

which it is engaged;

(b) Buyer has the necessary corporate power and corporate authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. This Agreement constitutes a valid and binding obligation of Buyer;

(c) The execution and delivery of this Agreement is not, and the performance of the transaction contemplated by this Agreement will not be, in violation or breach of, does not conflict with or constitute a default under, and will not accelerate or permit the acceleration of the performance required by, any of the terms or provisions of the Operating Agreement of Buyer. The execution and delivery of this Agreement and the performance of the transaction hereunder will not violate any law, judgment, decree, order, rule, regulation, permit or authorization of any governmental authority or court applicable to Buyer. Other than the approval of Buyer's Executive Committee, which consent has been obtained prior to execution hereof, no other consent of any person is required for execution, delivery or performance of this Agreement by Buyer;

(d) To the best of Buyer's knowledge, there are no actions, suits, claims, condemnations, governmental investigations or other legal or administrative proceedings, either pending or threatened against or relating to Buyer which would have a material and adverse effect on Buyer's ability to perform its obligations hereunder; and

Subject to Section 17, Buyer hereby agrees to defend, indemnify and hold harmless Seller from and against any claims asserted, actions, damages, losses, costs and expenses (including, but not limited to, reasonable attorneys' fees) occasioned or caused by, resulting from or arising out any inaccuracy in or breach of any of the representations or warranties of the Buyer set forth in this Section 16.

17. The representations and warranties contained in Sections 15 and 16 hereof shall survive the execution and delivery of this Agreement, shall remain in full force and effect and shall inure to the benefit of the Parties for a period of three (3) years from the date hereof.

**18. BUYER SELLS, AND SELLER ACCEPTS, THE DRAGLINE, THE PARTS AND THE DOCUMENTATION "AS IS, WHERE IS" AND WITHOUT ANY REPRESENTATION OR WARRANTY AS TO THEIR CONDITION OR USEFULNESS TO BUYER WHATSOEVER. BUYER ACKNOWLEDGES THAT IT HAS SUFFICIENT OPPORTUNITY TO EXAMINE THE DRAGLINE, PARTS AND DOCUMENTATION. BUYER ACKNOWLEDGES THAT IT HAS HAD SUFFICIENT OPPORTUNITY TO EXAMINE THE LOCATION OF THE DRAGLINE, THE LOCATION AND CONFIGURATION OF THE ROADWAY THAT WILL BE USED IN CONJUNCTION WITH THE REMOVAL SERVICES, AND THE LEGAL RESTRICTIONS AND SITE RESTRICTIONS APPLICABLE TO THE MINE. IN EACH CASE, BUYER IS SATISFIED WITH THE CONDITION OF SUCH RELATIVE TO ITS OWN PURPOSES AND NEEDS. SELLER NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE, AND BUYER HEREBY EXPRESSLY WAIVES, ANY WARRANTY OR REPRESENTATION BY SELLER, EITHER EXPRESS OR IMPLIED, AS TO THE DRAGLINE, PARTS OR DOCUMENTATION, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OR**

**REPRESENTATION AS TO THE DESIGN, QUALITY OR CONDITION OF THE DRAGLINE AND PARTS OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE DRAGLINE AND PARTS FOR ANY PARTICULAR PURPOSE.**

19. Subject to satisfaction or waiver of all conditions precedent set forth in Sections 20 and 21, the closing of the transaction contemplated hereby (the "Closing") shall be held no later than December 31, 2016 (the "Closing Date"), or on such other date as the Parties may agree. Seller shall deliver to Buyer at the Closing a Bill of Sale in the form attached hereto as Exhibit C covering the Dragline, the Parts and the Documentation. Title to the Dragline, the Parts and the Documentation, and all risk of loss or damage thereto from any cause whatsoever, shall pass to Buyer upon the delivery of such Bill of Sale at the Closing.

20. The obligation of Buyer to consummate the transaction contemplated by this Agreement is, at its option, subject to the fulfillment or satisfaction, prior to or at the Closing Date, of the following conditions:

(a) The representations and warranties of Seller set forth in Section 15 of this Agreement shall be true and correct in all material respects both on the date of this Agreement and as of the Closing Date (with the same force and effect as if such representations and warranties were made anew at and as of the Closing Date);

(b) On the Closing Date, there shall not be in force any injunction, order or decree restricting or enjoining consummation of the transactions contemplated by this Agreement, and there shall be no litigation, proceeding, governmental investigation, claim or action pending or threatened to enjoin, restrict, restrain, set aside or invalidate the transaction contemplated by this Agreement, including without limitation any injunctions or encumbrances, environmental or otherwise, on the Dragline or the Parts; and

(c) Since the date hereof, there shall have been no material adverse change in the condition of the Dragline, Parts or Documentation and not components of the foregoing have been removed or materially modified (except those modifications made or authorized by Buyer).

If any of the foregoing conditions are not fulfilled or satisfied at the Closing Date, this Agreement shall be terminable by Buyer and the full amount of the Deposit shall be promptly returned to Buyer.

21. The obligation of Seller under this Agreement to consummate the transaction contemplated by this Agreement is, at its option, subject to the fulfillment or satisfaction, prior to or at the Closing Date, of the following conditions:

(a) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects both on the date of this Agreement and as of the Closing Date (with the same force and effect as if such representations and warranties were made anew at and as of the Closing Date); and

(b) On the Closing Date, there shall not be in force any injunction, order or decree restricting

or enjoining consummation of the transactions contemplated by this Agreement, and there shall be no litigation, proceeding, governmental investigation, claim or action pending or threatened to enjoin, restrict, restrain, set aside or invalidate the transaction contemplated by this Agreement.

22. This Agreement, together with the Exhibits hereto, supersedes any correspondence, communication or other agreement, whether written or oral, that may have been made or entered into by the Parties relating to the matters contemplated hereby and constitutes the entire agreement by the Parties. All additions, variations, or modifications of this Agreement shall be totally void and ineffective unless they are in writing and signed by the Parties.

23. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

24. This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Wyoming, without giving effect to the principles of conflicts of law thereof. Any litigation between Buyer and Seller arising out of or relating to this Agreement will be conducted exclusively in federal or state courts in the State of Wyoming. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS CONTRACT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

25. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof unless it substantially and adversely affects the value of this Agreement to one of the Parties; and in the absence of any such substantial and adverse effect, this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

26. Except as otherwise expressly provided in this Agreement, each Party shall pay all of its own fees and expenses incurred in connection with the transaction contemplated by this Agreement.

27. The provisions, rights and obligations in Section 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 22, 24, 25, 26, 27 28 and 29 shall survive the Closing for the period of the applicable statute of limitations or such shorter period as may be expressly provided for in this Agreement.

28. All sales, transfer, or other taxes or fees properly imposed on the transactions contemplated herein shall be paid by Buyer. Such taxes and fees shall be collected by Seller from Buyer at Closing and thereafter administered with the State of Wyoming by Seller.

29. Seller has retained a broker to facilitate the sale contemplated herein and shall be solely responsible for the payment of the commissions due with respect to such engagement. Seller shall indemnify, defend and hold harmless Buyer against any claims, finder's fees or similar payments

from that broker or any others making claims pursuant to agreements entered by Seller. Buyer shall indemnify, defend and hold harmless Seller against any claims, finder's fees or similar payments claimed by third parties pursuant to agreements entered by Buyer.


IN WITNESS WHEREOF, the Parties hereto, with the intent to be legally bound, have executed this Agreement as of the date first above written.

SELLER  
BRIDGER COAL COMPANY

BUYER  
TITAN FLORIDA LLC

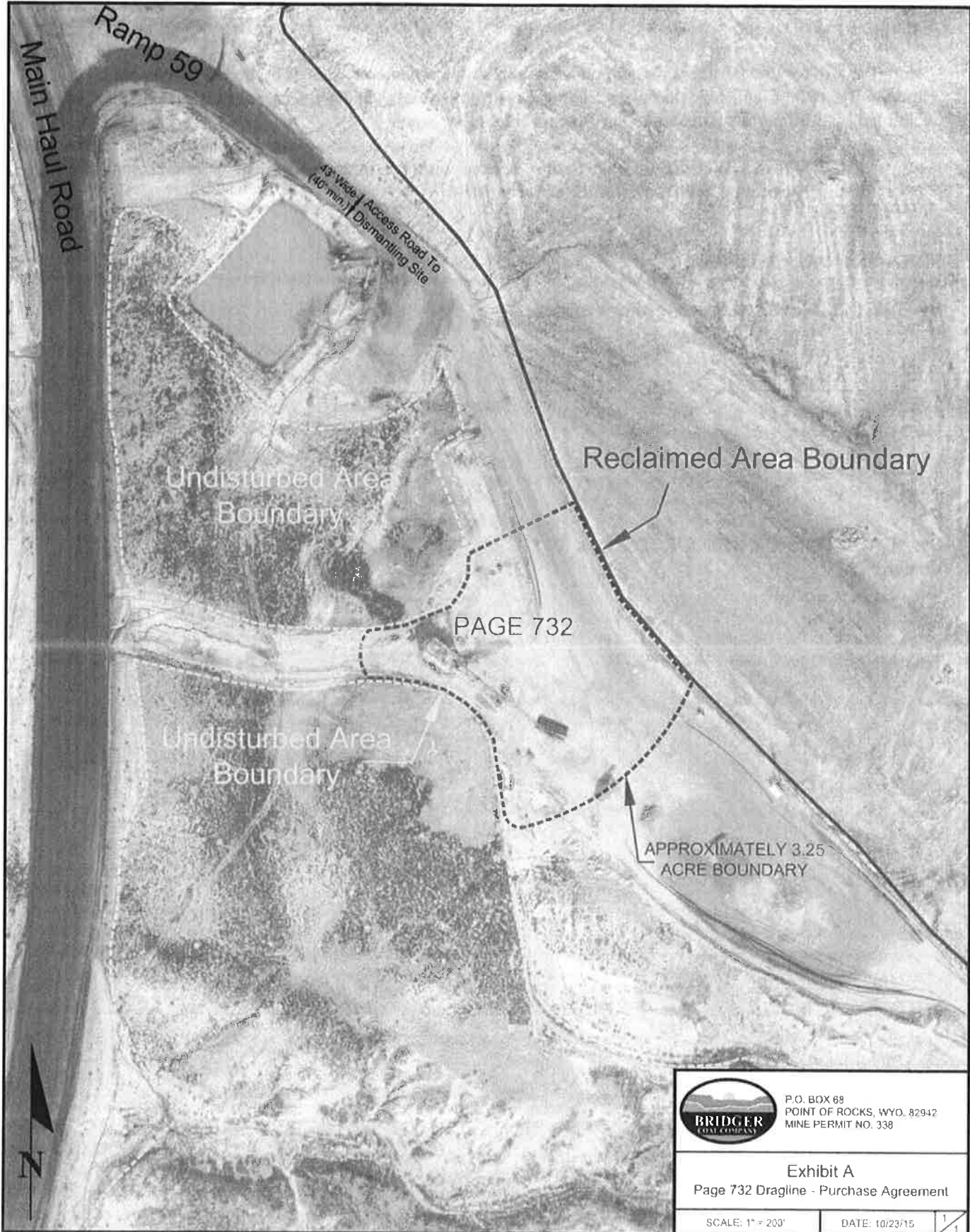
By: PACIFIC MINERALS, INC., Joint Venturer

\_\_\_\_\_  
Title:

  
\_\_\_\_\_  
Title: Walter D. Reed  
SVP Aggregates, Titan Florida, LLC

By: IDAHO ENERGY RESOURCES, Joint  
Venturer

\_\_\_\_\_  
Title:



P.O. BOX 68  
POINT OF ROCKS, WYO. 82942  
MINE PERMIT NO. 338

Exhibit A  
Page 732 Dragline - Purchase Agreement

SCALE: 1" = 200'

DATE: 10/23/15

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BRIDGER COAL COMPANY  
SURFACE MINE

BRIDGER COAL  
COMPANY

**ACCIDENT / INJURY  
PREVENTION  
MANUAL**

*October 2015 Revision*





## **SAFETY POLICY**

It is the policy of Bridger Coal Company to provide a safe and healthful work environment that facilitates the safe production of coal. The integration of safety and production is paramount to the success of the Company.

Bridger Coal Company recognizes that employees are its most valuable resource and is committed to managing an effective, comprehensive safety program. The Company also recognizes the basic concept that safe performance is contingent on individual attitude relative to safety and health. A successful safety program requires the participation of all employees to support established policies, procedures, work rules, and accepted practices.

Safety and Production must be an integrated process; therefore, no activity is to be deemed so important or urgent to justify the existence of unsafe conditions, acts, or practices. Bridger Coal Company regards safety and health of its employees as a value that will not be compromised. It is the Company's policy to provide and maintain a safe and healthy workplace for all employees. This can only be achieved through intelligent action, cooperation and an understanding of all safety and health procedures by all employees and adherence to them.

We, as employees have an obligation to ourselves, our families and to the other people with whom we come in contact, to carry out our duties with the highest regard for the safety of ourselves and our fellow workers.

Safety not only means compliance with rules and regulations, but also the development of personal work behaviors and practices that will not put ourselves or others at risk or compromise our values.

The objective of Bridger Coal Company is to achieve an injury-free workplace. This requires dedicated effort and commitment from all employees in order for us to reach our goal.

## **DEFINITION OF SAFETY**

Safety comes from mastery of their environment and actions. It is won by individual effort and group cooperation. It can be achieved only by trained, alert, skillful employees who respect themselves and have a regard for the welfare of others.

***December, 2013***

TO ALL BRIDGER COAL COMPANY EMPLOYEES, CONTRACTORS, VENDORS, AND VISITORS:

This Accident Prevention Manual has been prepared to assist you in your personal safety needs and those of other individuals at Bridger Coal Company. This manual cannot, nor is it intended to, address every situation that you may encounter in the work place. Should you find that these work rules are not explicit for a particular situation, you are expected to use sound judgement and common sense. However, if you have doubts as to the procedure(s) that you should follow, you are to immediately contact a Company representative for further instructions.

The rules, guidelines and practices included in this manual are based on regulations, common sense, and our past experiences. Your compliance with our safety programs and practices is essential to your own personal safety.

These work rules are supplementary to the Mining Laws of the State of Wyoming, the Code of Federal Regulations and the Federal Mine Safety and Health Act of 1977. Please read this manual carefully and remember that the safety of each employee and visitor is of primary importance to Bridger Coal Company. Safe performance must be the most important aspect of your daily routine. "Bridger Coal regards Safety as a Value" which will not be compromised



Dan Meadors  
General Manager



*International Brotherhood of Boilermakers, Local S1978*  
*Phone 307 362-3820*                      *P.O. Box 1426*  
*Fax 307 382-4113*                      *1303 Elk Street*  
*wew1978@qwestoffice.net*              *Rock Springs, WY 82902*

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November 2013

TO ALL BRIDGER COAL COMPANY EMPLOYEES:

International Brotherhood of Boilermakers, Local S1978 is a strong advocate of safety at Bridger Coal Company. This Accident Prevention Manual is a joint effort of the International Brotherhood of Boilermakers, Locals S1978 and Bridger Coal Company. It is an obligation that you read this manual thoroughly and understand the contents.

The International Brotherhood of Boilermakers, Local S1978 support the Company in their efforts to ensure a safe, injury-free working environment, and therefore, require you to adhere to all safety rules in this manual.

Remember that SAFETY is everyone's responsibility. Protect your own personal safety and that of your coworkers, and the safety of the equipment you are operating.

"IBB Local S1978 regards "Safety as a Value" which will not be compromised." IBB  
Local S1978  
Executive Board

Roy A. Moyer, President

Leslie Hottel, Vice President

Gary Thayne, Treasurer

Mario McKeever, Recording Secretary

# TABLE OF CONTENTS

## **Section**

- 1.0 Introduction
- 2.0 Definitions
- 3.0 General
- 4.0 Lock Out / Tag Out
- 5.0 Operation of Equipment
- 6.0 Maintenance Procedures
- 7.0 Welding Operations
- 8.0 Crane Operations
- 9.0 Aerial Manlift Equipment
- 10.0 Electrical
- 11.0 Trail Cable

- 12.0 Mining Operations
- 13.0 Drilling and Blasting
- 14.0 Conveyor Operations and Maintenance
- 15.0 Material Handling
- 16.0 Permit Systems
- 17.0 Appendices
  - A. Personal Protective Equipment (PPE) Checklist
  - B. Proper Lifting Procedures
  - C. Hand Signaling Procedures

## **1.0 INTRODUCTION**

These rules and regulations have been compiled after due consideration of safe working practices and conditions and to comply with accepted standards in the industry, the Federal Mine Safety and Health Act of 1977, the Coal Mining Laws of the State of Wyoming, and other applicable rules and regulations.

These rules are basic requirements and must be observed by all persons who are on the mine property.

The rules which describe methods do so only so far as they affect safety and are not intended to be a complete description of the procedure for carrying out the work described.

Each individual has a responsibility to work in a safe and healthy way. The responsibility is important to you, your family, and your fellow workers.

Do not compromise safety, and do not put yourself or anyone else in jeopardy. With your cooperation, we can maintain a safe place for you and others to work. Working safely is a condition of employment, and accident prevention is a primary consideration in performing your daily jobs.

This Accident Prevention Manual has been prepared to



help you in addressing your personal safety needs and those of your fellow employees. The manual cannot, nor is it intended to, address every situation that you may encounter in the work place. Should you find that these work rules are not explicit for a particular situation, you are expected to use sound judgment and common sense. However, should you have doubts as to the procedure(s) that you are to follow; you should immediately contact a Company and/or Union Safety Team representative for further instructions.

## **2.0 DEFINITIONS**

### **ACCIDENT**

Accident is an unplanned event caused by human error which causes injury and/or property damage.

### **INCIDENT**

An unplanned event that causes personal injury or property damage but is not caused by human error.

### **AUTHORIZED PERSON**

A person appointed by the company who understands the safety implications of the task.

**AVRP – WALK AROUND INSPECTION** – Accident Violation Reduction Program.

An inspection of equipment and or work area prior to beginning work.

**BLAST AREA**

The area near blasting operations in which concussions, flying material, or gases from detonation of the charge can reasonably be expected to cause injury

**BLAST SITE**

The area where explosive material is handled during loading and 50 feet in all directions

**COMBUSTIBLE LIQUID**

A liquid having a flash point at or above 100° F

**EMERGENCY**

An unforeseen circumstance that calls for immediate action

**EQUIPMENT**

All equipment and vehicles (pickups, draglines, drills, etc.)

**FLAMMABLE LIQUID**

A liquid having a flash point below 100° F

**FLASH POINT**

The minimum temperature at which a liquid gives off vapor in sufficient concentration to form an ignitable mixture with air near the surface of the liquid

**HIGH VOLTAGE**

Any conductor energized in excess of 1000 volts

**MEDIUM VOLTAGE**

660 volts to 1000 volts

**LOW VOLTAGE**

Any conductor energized up to 660 volts

**MISFIRE**

The complete or partial failure of a blasting charge to explode as planned

**MSDS**

Material Safety Data Sheet

**NEAR MISS**

An undesirable event which under different circumstances could have resulted in harm to people, damage to equipment or property.

**PPE**

Personal Protective Equipment

**PERSONAL SAFETY PLAN**

A self-assessment or personal inventory each individual makes to plan his actions and behaviors that ensure safe behaviors for himself and those around him.

## **INJURY**

Injury is the resulting event to a human in which the outcome may or may not have been preventable.

## **RIGHT TO KNOW**

A body of federal law requires employees to have information available on the hazards involved with chemical products on the mine site; this information is available within the MSDS books, online or by telephone.

## **WORK AREA AWARENESS**

A continuous inspection of equipment and work areas throughout the shift.

### **3.0 GENERAL**

- 3.1 Individuals are required to observe and enforce safety rules.
- 3.2 Individuals shall constantly keep in mind the safety of others as well as themselves. Employees must pay attention to everything around them as well as to the work at hand.

**Look** above, below, behind, inside.

**Listen** for vibrations and unusual sounds.

**Smell** for unusual odors.

**Feel** for unusual temperatures and vibrations.

- 3.3 “Horseplay” on the job is prohibited.
- 3.4 Smoking is not allowed in any Company building, equipment, or other areas posted with NO SMOKING signs.
- 3.5 The use or possession of illegal, mind-altering, or controlled substances and/or alcohol is prohibited.
- 3.6 An employee using physician-prescribed or over the counter medication must notify PacifiCorp’s Employee Benefits and Disability Services Department if the employee believes he/she cannot perform the essential functions of their job without posing a danger to themselves or others. Refer to the April 1, 2011 memo from Pat Akers re: Prescription-Prescribed or Over the Counter Medication Notification in the current Working Agreement.
- 3.7 Every employee shall make a careful inspection of their work area and/or piece of equipment. All identified hazards shall be properly addressed

prior to commencing work.

- 3.8 Each employee shall leave the work area in a safe condition. Before leaving a work area, the employee shall either correct an unsafe condition or notify the supervisor.
- 3.9 Employees shall report all near misses, accidents, injuries, emergencies, property damage and unsafe conditions to a supervisor immediately.
- 3.10 The Company will appoint a designated representative to investigate all accidents and, where possible, take remedial steps to prevent repetition of similar accidents. The Company representative in charge of the investigations will request the Union to designate a representative to be present. The Union will provide a list of people to the Company for accident investigation.
- 3.11 The Company shall provide and maintain the necessary personal protective equipment (PPE) and instruct individuals in their proper use (refer to PPE Checklist; Appendix A).
  - 3.11.1 Any individual exposed to 85 decibels or more, hearing protection is recommended. Exposure over 90 decibels, hearing protection is mandatory. Exposure over 105 decibels requires

dual hearing protection. Areas that fall into these ranges can be subject to time restrictions. Consult with the Hearing Conservation Program or a member of the Safety Department if unsure as to any limitations.

- 3.12 All individuals shall wear hard hats, safety glasses and safety shoes or boots, outside of office areas except for designated areas. Other protective devices must be worn as needed, fit properly, and be adequate for their intended use.

The requirements are further defined as follows:

- a) Hard hats will not be required inside the cabs of equipment or vehicles. Safety shoes or boots and safety glasses are required to be worn inside of cabs.

Designated areas adjacent to the office where safety equipment is not required include:

- b) Areas directly adjacent to the Main Office Building.
- c) The designated walkway between the Main Office and the Shop Offices.
- d) The area directly in front of and behind the warehouse counter under the mezzanine area.

- e) The marked area directly in front of the desk in the Machine Shop.

In reference to the overall mine, the following revision also applies:

- f) Any designated lunchroom or designated area where work activities are not in progress.

If an individual is performing work activities in the areas listed in b thru e, then hard hats, glasses, and safety shoes or boots, shall be required.

3.13 Any person working on an equipment boom or other elevated location where there is a danger of falling shall use an approved body harness, safety line and approved tie-offs.

3.14 All employees shall keep their personal tools and equipment in safe working condition.

3.15 Three-point contact shall be maintained and appropriate ladders, handholds, and footholds shall be used when mounting and dismounting machines. Individuals shall not mount or dismount moving equipment.

3.16 Individuals shall contact the operator prior to approaching equipment in operation. Operator



approval is required prior to mounting the machine.

- 3.17 Power cables shall only be crossed at properly installed crossings.
- 3.18 Trail cable damage shall be reported immediately to a supervisor.
- 3.19 Containers for storing chemicals shall be clearly labeled to identify the contents.
- 3.20 Prior to working with chemicals, individuals shall consult with appropriate MSDS. Employees shall become familiar with the necessary PPE and noted first aid measures. They shall also become familiar with the location of eye wash stations and showers before starting work.
- 3.21 Barriers, signs or other approved methods shall identify hazardous conditions.
  - 3.21.1 Danger area signs and barricades shall be red in color.
  - 3.21.2 Caution area signs and barricades shall be yellow in color.
  - 3.21.3 Signs and barricades shall be removed immediately upon completion of the job

requirement or when the hazard has been eliminated.

- 3.22 When any equipment impairs road clearance, warning devices shall be displayed to warn others of the hazard.
- 3.23 Fire extinguishers and systems shall be inspected each shift by equipment operators. Portable fire extinguishers shall be replaced immediately after use.
  - 3.23.1 Equipment is considered down for repair if the fire system cannot be discharged either automatically or manually.
- 3.24 When compressed air pressures exceeding 30 psi are required for cleaning equipment, personal protective equipment including, but not limited to, face shields, respirators and hearing protection shall be used. Compressed air shall not be blown directly on any person.
- 3.25 Employees shall report to a supervisor any misfired explosives that they discover. Misfires shall be disposed of safely under the personal supervision of certified Drilling and Blasting personnel before any other work is performed in the area.

3.25.1 Any person discovering a misfire shall immediately stop all work, clear the area, and contact a supervisor. The area shall remain cleared until the misfire is disposed of safely.

3.25.2 The certified Drilling and Blasting personnel on shift shall be notified immediately when a misfire has been identified. The certified Drilling and Blasting personnel shall examine and direct activities to safely dispose of the misfire.

3.25.3 All misfired holes must be recorded in the on shift logbook. This record must include the time of day the misfire is discovered, corrective action taken to dispose of the misfire, and the time the corrective action was taken.

3.26 Before an employee is permitted to operate any equipment and/or to perform any assigned task, the Company must deem that the employee is adequately task trained.

**NOTE: More than task training shall be required for an employee to become qualified to operate equipment.**

3.27 When any employee finds that the job assigned is too difficult to be performed safely with the equipment or number of employees assigned,

a request for additional help and/or equipment shall be made. The employee shall not proceed with the hazardous portion of the assignment until the necessary assistance and/or equipment is on the job.

- 3.28 Never work under suspended loads, buckets, or implements. This includes equipment or their parts that are supported by hydraulics.
- 3.29 Extreme caution shall be taken when working near lines under tension.
- 3.30 Individuals should recognize that, loose clothing and long hair, wearing wrist watches, rings, or other jewelry while performing work functions can present a hazard around some equipment.
- 3.31 Mine radios and/or CBs shall be left on and audible throughout the entire shift when the equipment is manned.
- 3.32 A face shield is required whenever washing with a pressurized water hose.
- 3.33 No vehicles shall park within 25 feet of a highwall crest or toe” however it does not restrict people from performing work in that area.

## **4.0 LOCK OUT / TAG OUT PROCEDURE**

The following lock out and tagging procedure has been developed to insure the safety of employees.

Each individual is responsible for their own safety by locking out and tagging the equipment or piece of machinery. If there is any question as to the proper place to lock out and tag, consult with individuals familiar with the hazards of that area or consult with site specific posted instructions.

All requested information on tags must be completed when possible.

### **4.1 RED TAGS DEFINED**

A red colored tag indicates “EXTREME DANGER - DO NOT OPERATE AND DO NOT REMOVE”. Red Tags are used whenever there is a hazard to anyone working on or near a piece of equipment or electrical system. Red Tags shall be used to tag out a piece of equipment or system that is UNSAFE to operate in its present state or condition.

Unauthorized removal of any Red Tag or utilization of a system or piece of equipment TAGGED OUT will likely result in termination.

## **4.2 PERSONAL RED TAG**

Each individual who is required to work on or near equipment or facilities that when energized or operated would present a personal safety hazard will be issued a Personal Red Tag. A Safety Lock shall be used in conjunction with a Personal Red Tag whenever possible. A Personal Red Tag may be removed only by the individual whose name is on the tag or by the appropriate Manager or Superintendent. When it is necessary to leave the work area, your Personal Red Tag must be replaced with a Department Red Tag or Maintenance Green Tag. Failure to do this may subject the individual to discipline. A Personal Red Tag must have the employee's name, both printed and signed, and their employee number.

## **4.3 DEPARTMENTAL RED TAG**

A Departmental Red Tag may be installed or removed by any authorized person. An authorized person is any person that understands the safety implications of the tags' removal and is an employee of the department that issued the tag. Unauthorized removal of a Red Tag will likely result in termination. A Departmental Red Tag must remain in place until the unsafe condition is eliminated. All applicable information must be filled out.

## **4.4 GREEN TAGS**

A Green Tag means a machine or piece of equipment shall **ONLY** be operated for repairs, testing, or transportation of equipment under the direction of Maintenance. A Green Tag may be issued by any employee and shall only be removed by a Maintenance or Safety representative. All applicable information must be filled out.

## **4.5 YELLOW TAGS**

A Yellow Tag is used for “INFORMATION PURPOSES”. A Yellow Tag may be placed on any machine or piece of equipment if an individual identifies a problem or potential problem. If a Yellow Tag addresses a mechanical problem, the tag should include the work order number. A Yellow Tag by itself will not restrict the operation of a piece of equipment or machinery. A Yellow Tag may be removed when the information on the tag is no longer valid.

## **4.6 SAFETY LOCKS**

Every individual working on equipment, that if energized or operated would present a safety hazard, will be issued an individually keyed Safety Lock. This lock must be used whenever practical to effectively **LOCK OUT** a piece of equipment. Whenever a Personal Safety Lock is used, it must be accompanied by the individual’s Personal

Red Tag. Whenever a departmental lock is used it must be accompanied by a Departmental Red Tag. Work may not commence on any electrical or mechanical system unless the appropriate controls are completely locked out. The installation and removal requirements of the Safety Lock are the same as those for Red Tags as referenced in section 4.1.

4.6.1 Before work begins on the draglines, the conveyor system, or any other area or item that may require locking out, employees shall familiarize themselves with the necessary lock out procedures required for their specific job.

## **5.0 OPERATION OF EQUIPMENT**

5.1 Only authorized or qualified persons with current task training shall operate equipment.

5.2 Before operation, all equipment requires a preshift inspection checklist. Proper documentation is mandatory and must be turned in by the end of the shift. If any defect prevents safe operation, it shall be corrected before the equipment is operated or the equipment shall be Red or Green tagged.

5.3 When operating equipment, warning signals shall be given using the horn:  
1) One signal for starting.



- 2) Two signals for forward.
- 3) Three signals for backing.

- 5.4 All equipment shall travel with headlights on at all times.
- 5.5 The operator shall not back any equipment unless they are certain of what is behind the equipment. The operator should make an inspection before backing or use a spotter to signal while backing.
- 5.6 Company equipment shall be operated in a courteous manner and with regard for safety of personnel and property.
- 5.7 When operating Company equipment off of the mine property, the operator shall operate the equipment in conformance with state and local laws.
- 5.8 Individuals shall not board or dismount moving equipment.
- 5.9 Seat belts will be provided on all mobile equipment and **shall be worn by all occupants** while the equipment is in operation.
- 5.10 Equipment shall not carry personnel beyond safe seating capacity. Personnel shall not ride in the beds of pickups or trucks.

- 5.11 Loads on equipment shall be arranged and secured so as to not present a hazard. Objects projecting from the rear or side of equipment should be properly marked with warning flags or lights.
- 5.12 Flammable liquids and pressurized or combustible cans shall be properly labeled and be stored in a properly labeled, proper storage compartment of equipment but never in the cab.
- 5.13 Engines of gasoline or propane-powered equipment shall be turned off prior to refueling.
- 5.14 Parking brakes shall be set on unattended equipment. Equipment equipped with chock blocks shall be utilized or if parked on declines or inclines shall have the wheels blocked or the wheels shall be turned into the bank when facing downhill or turned away from the bank when facing uphill. All implements shall be lowered to the ground.
- 5.15 Operators shall comply with posted speed limits and reduce speed when necessary because of equipment, road, traffic or weather conditions.
- 5.16 Operators shall also comply with all posted traffic controls (signs, cones, berms, etc.).

- 5.17 Operators shall maintain a safe distance between equipment at all times.
- 5.18 Clearance shall be secured from the equipment operator prior to passing within swing radius of the boom of a backhoe, crane, dragline, shovel or loader.
- 5.19 Equipment shall not be operated closer than 10 feet to a power line.
- 5.20 Equipment left unattended shall be located in a safe position.
- 5.21 All equipment cabs not having proper FOPS must be exited during loading, except for the small dump truck per the May 13th, 2005 memo.

## **6.0 MAINTENANCE PROCEDURES**

- 6.1 Repairs or maintenance shall not be performed on machinery until the power is off and the machinery is blocked against motion, except where machinery motion is necessary to make adjustments.
- 6.2 At least one spotter, if not more, shall be utilized

when moving equipment with limited visibility in or out of a shop.

- 6.3 Oily waste or rags shall be stored in approved containers and disposed of properly.
- 6.4 When operating electric tools, precaution shall be taken to protect the person as follows:
  - 6.4.1 Grounded cords must be used unless the electric tool is “double” insulated. All power cords must be free of defects.
  - 6.4.2 Ground fault interrupters shall be used in conjunction with three conductor cord in wet or outdoor areas.
  - 6.4.3 Devices to lock electric hand tools in the “on” position must be removed before the tools are approved for use.
- 6.5 Only approved splices and clamps shall be used on all pressure type hoses. Tie wires and hose clamps are not acceptable.
- 6.6 Fueling over trail cable will not be performed at any time.
- 6.7 When performing work tasks under the raised

bed of a haul truck the bed shall be pinned.

- 6.8 No employee should service any rim wheel unless they have been trained in the Safe Work Practice of servicing the type of wheel being worked on. The Mine Safety and Health Administration's Tire and Rim Safety Awareness Program provides a general reference for tire and rim safety.
- 6.8.1 Refer to the Safe Work Practice Tire and Rim Removal posted in the Maintenance Shop Supervisors' Office or the Safety Office.

## **7.0 WELDING OPERATIONS**

- 7.1 Individuals engaged in welding operations shall inspect equipment for defects before use.
- 7.2 Each welder shall examine the area for hazards where welding operations are to be performed. Combustible materials shall be removed or protected prior to beginning work. When a hazard exists, each welder shall take special precautions, such as a fire watch, during welding operations.
- 7.3 Each welder shall have a fire extinguisher available when performing welding operations.

- 7.4 Welding operations shall be properly shielded.
- 7.5 A fully insulated electrode holder shall be used and the jaws must be inspected frequently.
- 7.6 The electrode holder shall not be left in contact with a grounded or metallic surface nor shall the rod be left in the holder when unattended.
- 7.7 Welding leads or ground cables shall be frequently inspected for wear, damage and loose connections. All negative and positive lugs on the welding machines must be adequately guarded from incidental contact.
- 7.8 Adequate ventilation shall be provided during welding operations.
- 7.9 A cutting torch used in confined spaces shall be removed from the area when not in actual use to reduce the possibility of gas buildup.
- 7.10 Torches shall be lit with an approved friction-type lighter.
- 7.11 Welding operations on flammable liquid containers, such as gasoline tanks, is prohibited.
- 7.12 Welding operations performed on containers for

combustible liquids require a Hot Work Permit and special precautions. The containers should be:

- 7.12.1 vented and completely drained;
  - 7.12.2 removed from the vehicle if welding would produce heat on other combustible materials or their containers;
  - 7.12.3 triple rinsed inside and cleaned outside;
  - 7.12.4 filled with water or an inert gas.
- 7.13 Oil or grease should not be allowed to come in contact with valves or regulators of oxygen cylinders.
- 7.14 Gas cylinders shall be handled with extreme care, stored in a suitable, well-ventilated location and properly secured in a vertical position with valve caps in place.
- 7.15 Unless cylinders are firmly secured on a special carrier intended for this purpose, valve protection caps shall be in place and secured when transporting and moving compressed gas cylinders.

- 7.16 Gas cylinders shall be transported securely in a vertical position.
- 7.17 Gas cylinders shall not be exposed to excessive heat, sparks or flames.
- 7.18 Compressed gases shall not be used from a cylinder or manifold unless an approved pressure regulating device is installed on the cylinder or manifold, and then only for their intended use.
- 7.19 Compressed gas cylinders shall be legibly marked with the name of its contents. These markings shall not be cut into the metal of the cylinder.
- 7.20 Compressed air or gas cylinders shall be lifted with approved lifting devices and shall not be lifted by the cylinder valve caps.
- 7.21 Propane bottles shall not be placed in tubs/ revolving frames of draglines. Hoses must be routed to minimize tripping hazards and shall be inspected prior to use.
- 7.22 Propane bottles shall not be transported in the cabs of equipment.
- 7.23 Pad eyes must never be tacked and left for the next shift to finish or left unattended unless properly



tagged until welding has been completed.

- 7.24 Only welders certified to do so shall perform welding on hydraulic fittings or lines.
- 7.25 Welding over trail cable will not be preformed at any time.

## **8.0 CRANE OPERATION**

- 8.1 Signals shall be taken from only one person designated or agreed upon by the operator (refer to Hand Signaling Procedures; Appendix C).
- 8.2 Loads shall not be positioned or swung over individuals.
- 8.3 Cranes shall not be positioned where the swing radius is within 10 feet of an energized power line.
- 8.4 Suspended loads shall not be unattended unless properly secured.
- 8.5 Taglines shall be attached to hoisted materials that require steadying or guidance.
- 8.6 Crane work shall not be performed if an electrical storm is in the immediate area.

## **9.0 AERIAL MANLIFT EQUIPMENT**

- 9.1 Individuals working in aerial manlift equipment shall utilize fall protection equipment. Employees operating the Marklift Scissors Lift should tie off at waist level or above when feasible. When in a position that does not allow for this, the manufactured pad eyes mounted on the floor on the machine can be utilized.

Employees should tie off at waist level or above when feasible. When in a position that does not allow for this, the manufactured pad eyes mounted on the floor on the machine can be utilized.

- 9.2 With the exception of a qualified electrician with the purpose of energizing or de-energizing a line, aerial manlift equipment shall not be operated within 10 feet of any power line.

- 9.3 Aerial manlift equipment shall have both upper and lower controls. Upper controls shall be within easy reach of the operator. Functions of the controls shall be clearly marked. Except in the case of an emergency, lower controls shall not be operated without permission from the person in the lift.

- 9.4 Aerial manlifts shall not be used as material cranes.
- 9.5 Aerial manlifts shall not be left greasy or dirty. They shall be cleaned after every use.
- 9.6 When lifting persons in an aerial basket, individuals shall be available for assistance on the ground.

## **10.0 ELECTRICAL**

- 10.1 Electrical equipment shall be de energized prior to work except when necessary for trouble shooting or testing.
- 10.2 Circuit breakers and disconnecting switches shall be labeled to show which units they control.
- 10.3 Flagging shall not be used to protect employees from any exposed voltage except while attended by a qualified person during testing and/or repairs.
- 10.4 Any equipment or lines, which have been removed from service, shall be considered energized until grounded by a qualified person.

- 10.5 Only a qualified person shall perform work on electrical distribution circuits and electrical equipment. Disconnecting devices shall be locked out and suitably tagged by the person who is performing the work. In cases when it is not possible, the disconnecting devices shall be opened and suitably tagged.
- 10.6 When an electrician finds that the job assigned is too difficult to be performed safely with the equipment or number of people assigned, requests for additional qualified help and/or equipment shall be made.
- 10.7 Before entering the collector ring area of a dragline, each individual's personal lock and red tag shall be placed on the disconnect of the power source [Substation] and on the machine [High Voltage] transformer main disconnect.
- 10.8 Sub-stations shall be labeled indicating which units the trail cable is connected to.
- 10.9 High voltage lines shall be de-energized, locked, tagged and grounded before work is performed on them.
- 10.10 New Electrical Reclosure; Follow the procedures posted at the Reclosure.

## **11.0 TRAIL CABLE**

- 11.1 Prior to a cable reroute, red tags with the words “CABLE REROUTE” shall be placed on appropriate substations with an Electrical Department lock. Individual lockout procedures can be referred to in section 4.0 of the APM.
- 11.2 The switch over from mine power to the auxiliary generator shall only be made by the electricians who have locked out the substation.
- 11.3 Prior to a cable reroute, the first visible disconnect of auxiliary generators on draglines shall be personally locked and tagged by a certified electrician.
  - 11.3.1 In case of auxiliary generator being utilized the air switch on main disconnects on dragline shall be locked and tagged.
- 11.4 Trail cable should not be bent in a loop less than eight (8) times the overall diameter of the cable. Slings may be used to ensure that 500, 450, or 400 MCM trail cable is held to a diameter no less than 54 inches.
- 11.5 The first section of cable (the machine 1000) shall be inspected by the operating crew each shift.

- 11.6 Trail cable connections between cables and power sources shall not be made or broken when energized.
- 11.7 Trail cable shall be secured to machines in a manner to protect the cable from damage and to prevent strain to the electrical connections.
- 11.8 Employees shall take precautions to keep trail cable clear of the machine at all times to ensure that the cable is not run over and/or damaged by movement of the machine.
- 11.9 Trail cable shall be protected from damage by flyrock.
- 11.10 The location of trail cable shall be clearly identified by orange cones.
- 11.11 Trail cable must not be allowed to contact the body during handling.
- 11.12 Extra precaution shall be used when handling trail cable in wet conditions.
- 11.13 Hot gloves shall be worn when handling trail cable (except for electricians working on de-energized grounded cable).

- 11.14 Hot gloves shall be worn with leather cover gloves provided for that purpose. Hot gloves must only be used for intended usage and not as work gloves.
- 11.15 When not in use, hot gloves shall be carried with the cuffs down in a protector bag provided for that purpose.
- 11.16 Hot gloves shall be inspected for defects, and an air test performed before use on each shift and at least once during the shift when they are used for an extended period of time.
- 11.17 Hot gloves known or suspected to be defective shall not be used, shall be immediately marked “DEFECTIVE”, and shall be turned in to the warehouse.
- 11.18 Hot gloves shall be exchanged at the warehouse every thirty (30) days according to the posted exchange dates.

## **12.0 MINING OPERATIONS**

- 12.1 Mining operations shall follow the current Ground Control Plan.
- 12.2 Equipment operators shall exit the cab when the equipment undergoes lubrication and fueling. Operators shall lower all implements to the ground prior to leaving the cab.
- 12.3 Individuals are not permitted in the drag or hoist drum pits when a dragline is operating, except for those authorized for maintenance repairs, testing or inspection purposes.
- 12.4 When working in a pit, the highwall and spoil piles shall be checked for loose material that could slide or roll off. Individuals must be alert at all times for falling rock.
- 12.5 Highwalls and spoils shall be sloped to the requirements of the ground control plan. Work shall not be done under unstable highwalls or spoils. Highwalls and spoil slopes shall be examined frequently in all areas where employees are assigned to work. Identified hazards shall be addressed prior to proceeding with the work.



- 12.6 Prior to working near the highwall, it shall be inspected for cracks, overhangs and loose material. Special care shall be taken prior to performing the following tasks:
  - 12.6.1 Heavy equipment preparing benches, berms or pushing material perpendicular to the highwall.
  - 12.6.2 Positioning an overburden drill perpendicular to the highwall.
  - 12.6.3 Equipment loading and stemming overburden blastholes.
  - 12.6.4 Equipment moving trail cable.
  - 12.6.5 Tracked dozer using highwall drag to scale highwall.
- 12.7 Prior to pushing material over the highwall, the affected pit area shall be cleared and barricaded.
- 12.8 Adequate lighting shall be provided in all work areas.
- 12.9 Individuals working in or near water that presents a hazard shall wear an approved life jacket. When wading in ponds or when working on a frozen pond, a second person in a safe position

shall be present. A lifeline shall be utilized when necessary.

- 12.10 Individuals shall be aware of the location of trail cable and shall not run over or step on cables.
- 12.11 Except when testing the machinery, guards and safety devices shall be securely in place while machinery is being operated.
- 12.12 The bucket of a dragline, shovel, or loader shall not be swung over individuals or occupied equipment.
- 12.13 Only authorized personnel and equipment are allowed within the operating radius of cranes, backhoes, draglines, and shovels. All vehicles shall park in the designated parking area as determined by the operator.
- 12.14 Unsecured material is prohibited on elevated work areas.
- 12.15 Areas beneath elevated work areas must be barricaded or guarded to prevent entry into the area.

- 12.16 The bucket of a dragline, shovel or loader shall be lowered to the ground when the equipment is not in operation.
- 12.17 The shoes of a dragline shall be lowered when maintenance or inspection activities are performed unless the Maintenance or Production Superintendent, or their representative determines that it is necessary to keep them in the up position.
- 12.18 Extraneous material, oil and grease shall be cleaned and disposed of properly.
- 12.19 Haul roads shall be maintained in good condition. Safety berms are required on elevated roadways and shall be at least axle height of the largest vehicle using the road.
- 12.20 Road widths and grades shall be suitable to provide safe passage for equipment using the road.
- 12.21 A bumping block or berm shall be provided to prevent over-travel and overturning at dump locations.
- 12.22 Loaded lowboys will be limited to a maximum speed of 18 mph. When the payload exceeds

125 tons speed is limited to 5 mph.

- 12.23 Safe operating speed for the unloaded lowboys shall be based upon conditions and posted speed limits.

### **13.0 DRILLING AND BLASTING**

- 13.1 The operator of a drill shall not leave the controls unattended while the drill is in operation.
- 13.2 The drill operator shall know the location of anyone assisting when positioning or moving a drill.
- 13.3 Individuals shall keep clear of auger and drill stems while the drill is in motion.
- 13.4 Individuals shall not work under suspended drill tools. When a drill is left unattended the drill steel shall be properly secured.
- 13.5 During P.M. activity or scheduled non-production time, drills should be moved out of the drill pattern when practical.
- 13.6 The area surrounding magazines for not less than twenty five (25) feet in all directions shall be

kept free of rubbish, dry grass or other materials of a combustible nature.

- 13.7 Open flames and spark producing devices within fifty (50) feet of magazines or blasting operations are prohibited unless proper procedures are followed.
- 13.8 Only non sparking tools shall be used when handling explosives.
- 13.9 Smoking materials, matches, and lighters, are not allowed in a magazine area.
- 13.10 Smoking within fifty (50) feet of equipment placarded for transporting explosives is prohibited.
- 13.11 Individuals shall never try to extinguish a fire involving explosives.
- 13.12 Explosives shall not be dropped or handled roughly.
- 13.13 All explosives and detonators shall be transported and stored in the original shipping container or in another type of approved container.
- 13.14 An approved box type magazine may be used

for storage of small amounts of explosives or detonators or as an operations storage box for daily supply.

- 13.15 Explosives and detonators shall not be transported in the same vehicle or stored unless separated by at least a four inch substantially fastened hardwood partition or the equivalent.
- 13.16 Other material shall not be transported with detonators and explosives.
- 13.17 Employees other than the driver and the assigned crews shall not ride in equipment transporting explosives.
- 13.18 Equipment transporting explosives shall be placarded on four sides with the word "EXPLOSIVES" in letters not less than four inches high.
- 13.19 When equipment used to transport explosives is parked, the brakes shall be set, the engine turned off and the wheels chocked.
- 13.20 Equipment transporting explosives shall not be overloaded.
- 13.21 Equipment containing explosives:

- 13.21.1 Shall not be left unattended.
- 13.21.2 Shall not be taken to the shop area.
- 13.21.3 Shall not move trail cable.
- 13.21.4 Prill trucks must be emptied and washed out in the field before entering the shop area. The Blasting Supervisor and Shop Supervisor must inspect the cleaned truck prior to entering the shop area.
- 13.22 Shots shall be loaded and charged by a qualified person and fired only by a certified person. Individuals shall work under the supervision and in the immediate presence of a certified person.
- 13.23 Prior to tie in and firing preparation, the blast area will be closed and access will be denied to all unauthorized personnel. Only the blaster in charge has the authority to permit access past any blast area cones.
- 13.24 The blast area in which charged holes are waiting firing shall be guarded against unauthorized entry.

- 13.25 Back filling of pre-split holes shall occur immediately after the pre-split holes are shot.
- 13.26 Blasting cones shall identify blasting sites. Berms should be installed where practical. Individuals shall enter these areas only after securing permission from a certified person.
- 13.27 Equipment required to enter a blast site shall be directed through the site by certified personnel.
- 13.28 Energized trail cable shall not be located within fifty (50) feet of a loaded hole.
- 13.29 Detonators shall be kept separate from other explosives until ready to be used.
- 13.30 The blast shall not be fired until all surplus explosives and detonators have been removed from the immediate vicinity.
- 13.31 Individuals within the blast area shall be relocated if an electrical storm is in the immediate area.

**13.32 Shot firing procedures are as follows:**

- 13.32.1 Guards shall clear the blast area and shall be posted at all possible approaches to the blast area.



- 13.32.2 The person directing the shot shall make clearance checks with all guards and appropriate supervision.
- 13.32.3 Preblast warning: The person directing the shot shall announce on the mine's main radio frequency the location and material to be shot. They shall announce that radio silence will be requested in five (5) minutes and shall sound a HI-LO siren for ten (10) seconds to alert people that a blast is imminent.
- 13.32.4 At two (2) minutes before radio silence a warning shall be given over the radio channel by the person directing the shot, again stating the location and material to be blasted. A "YELP" siren shall be sounded for ten (10) seconds.
- 13.32.5 The person directing the shot shall make clearance checks with all guards and then SECURE RADIO SILENCE.
- 13.32.6 Twelve (12) short audible warnings shall be given, signifying a sixty (60) second countdown until the shot will be fired.
- 13.32.7 Fifteen (15) seconds prior to firing the shot the person directing the shot shall again make final clearance checks with all guards.

- 13.32.8 Guards shall remain in place until the ALL CLEAR signal has been given.
- 13.32.9 Normal mine radio communications can resume after the shot has been fired.
- 13.32.10 After firing shots, a careful examination by a certified person shall be made before other employees are permitted to return to the vicinity.
- 13.32.11 Blasting areas shall not be re-entered by any person after firing until such time as concentrations of smoke, dust or fumes have been reduced to safe limits and the blast area has been checked and cleared by the person in charge of the blast. When the area has been cleared, an ALL CLEAR signal of four (4) long blasts on the siren shall be given.
- 13.32.12 Prior to the ALL CLEAR signal, unauthorized individuals are prohibited from entering the blast area.
- 13.32.13 Only member of the powder crew or production supervisor authorized by the powder crew have the authority to pick up blasting cones.
- 13.33 When employees see lightning they should contact the drill/blast supervisor.

## **14.0 CONVEYOR OPERATIONS AND MAINTENANCE**

- 14.1 Only qualified employees shall operate the conveyor system.
- 14.2 Individuals shall obey posted signs in all areas of the conveyor system.
- 14.3 Approved guards shall be provided and maintained on the conveyor system.
- 14.4 Except during testing, guards shall be securely in place while the conveyor system is in operation.
- 14.5 Conveyor personnel shall be notified before work is performed on the conveyor system.
- 14.6 The lock out / tag out procedure shall be followed when working on the conveyor system. The pull-cords are NOT a lockout.
- 14.7 Individuals working on or near the conveyor system shall be instructed as to the location and operation of stopping devices.
- 14.8 Emergency stop devices shall be kept free of obstruction to provide ready access.

- 14.9 Prior to restarting a conveyor system emergency stoppage, an inspection shall be performed and the cause of the stoppage shall be determined.
- 14.10 Counterweights shall be secured against movement when belt tension is relieved during maintenance operations.
- 14.11 Contact shall not be made with head, tail and take up pulleys while the conveyor system is running.
- 14.12 Riding on the conveyor system is prohibited.
- 14.13 Entry inside the “3/4 cover” is prohibited when the belt is moving.
- 14.14 Only straight handled shovels shall be used around the conveyor system.
- 14.15 Approved travel ways shall be used while working on or around the conveyor system. Only approved crossings shall be used while crossing over or under the conveyor system.
- 14.16 The use of conveyor access roads shall be limited to authorized individuals only. General travel is prohibited.

- 14.17 A Confined Space Entry Permit must be obtained and followed prior to entering the coal bins at the truck dump stations. Entry on top of coal in the bins is prohibited without a Confined Space Entry Permit. An individual may work in the hopper on top of coal if they are properly tied off and accompanied by someone in a safe position with the conveyor system properly locked out and tagged.
- 14.18 Radiation devices (Bin Level Indicators) shall be operated only by trained persons authorized by a Radiation Safety Officer. These devices must be locked out prior to entering the hopper. Radiation devices shall be locked out prior to bin entry.
- 14.19 Radiation devices shall only be removed or installed with direct supervision of the Radiation Safety Officer. The devices shall be locked out before removal and remain locked out until they have been reinstalled.

## **15.0 MATERIAL HANDLING**

- 15.1 Never overexert yourself when lifting. If the load is more than you can handle, get the assistance of other personnel or equipment.

Always use proper lifting techniques. Refer to Proper Lifting Procedures in Appendix B.

- 15.2 When using a hand truck or forklift, place the load so it will not slip, shift or fall.
- 15.3 When operating a forklift, carry the load low to the ground with forks tilted back.
- 15.4 Slings and hooks shall be visually inspected before each use. If defects are observed, that piece of equipment shall be tagged and removed from service.
- 15.5 Any device used in lifting or supporting needs to be a properly rated apparatus.
  - 15.5.1 Devices shall be fabricated according to design specifications provided by approved consulting engineers.
- 15.6 Hard steel shall be lifted by either cutting a hole or using a shackle and sling or by picking the plate up flat with a forklift. A plate clamp should never be used to lift hard steel.
- 15.7 When power equipment is used and signals are required, only designated persons shall give the signals. The person to signal shall be designated by the person in charge of the activity (refer to

Hand Signaling Procedures; Appendix C).

- 15.8 Material Safety Data Sheets (MSDS) identify the hazards involved with chemical products and specify the recommended personal protective equipment (PPE) needed. It is the employees' responsibility to be familiar with the MSDS and PPE requirements involved with the chemical products he or she comes in contact with.
- 15.9 MSDS – you may call 1-888-362-7416 or go to MSDSonline on the PacifiCorp Home Page.
- 15.10 A review process must be used to approve or reject the use of a chemical product based on the hazards involved before it is allowed on the mine site.
- 15.11 Flammable liquids shall be appropriately labeled and transported in approved safety containers.
- 15.12 Only properly task trained individuals shall handle or transport liquid nitrogen.

## **16.0 PERMIT SYSTEMS**

### **16.1 HOT WORK PERMIT**

A Hot Work Permit is required prior to performing welding operations in and around oil, gasoline or diesel storage or dispensing areas, combustible liquid storage tanks, water tanks, battery storage areas, explosives storage areas or vehicles, posted blasthole patterns or other posted areas. This permit is florescent light-orange in color. Permits are valid until the end of the shift. When the job has been completed, they must be returned to the Safety Department.

### **16.2 CONFINED SPACE ENTRY PERMIT**

A Confined Space Entry Permit is required prior to entering any area that has limited openings for entry and exit that would make escape difficult in an emergency, has lack of ventilation, contains known and potential hazards, and is not intended nor designed for continuous human occupancy. This permit is designed so that individuals entering such areas will be aware of and will minimize possible hazards prior to entering and while in the area. This permit is florescent pink in color. Permits are valid until the end of shift. When the job has been completed, they must be returned to the Safety Department.



### **16.3 CRIBBING / BLOCKING PERMIT**

When necessary to stabilize equipment or components with cribbing, a permit shall be required. This includes situations wherein components that normally support the equipment are compromised due to repairs and/or removal. The purpose of the permit is to ensure quality cribbing and minimize the risks involved. This permit is fluorescent dark-orange in color.

### **16.4 EXCAVATION, TRENCHING AND DRILLING PERMIT**

An Excavation / Trenching / Drilling Permit is required prior to performing any of these activities when in the vicinity of facilities (i.e.: main shop area, erection lot, conveyor, fuel islands, prill silos, etc.). This permit is to prevent damage to existing facilities and protect employees from hazards involved. This permit is fluorescent green in color.

Open holes / Drill Steel areas:

Open holes shall be appropriately marked, bermed or back filled. Holes with steel in them shall also be marked.

### Area Marking:

Upon examination of maps and prior to beginning work, line locations should be appropriately marked or staked to assure knowledge of depth and direction.

### Mapping:

When unknown or unmapped lines are located, the excavated area should be left open to allow for surveying. The updated information should then be included in the appropriate maps.



## APPENDIX A

### PERSONAL PROTECTIVE EQUIPMENT (PPE)

ACTIVITY	Hard Hats	Glasses	Safety Shoes	Goggles	Face Shields	Hearing	Respirator	Gloves	Apron	Harness	Hood (Welding)	Hood (R.A.C.A.L.)	Seat Belts
Welding	M	M	M		M	R	R	M	R		M	R	
Cutting	M	M	M	M	R	R	R	M	R				
Grinding	M	M	M	R	M	R	R	R					
Sandblasting	M	M	M	R	M	M	M	M					
Blow Down: -30 psi	M	M	M	R	R	R	R	R				R	
+30 psi	M	M	M	R	M	M	M	M				R	
Electrical Work	M	M	M		R	R		M					
Chipping	M	M	M	R	M	R	R	R					
Drilling	M	M	M	R	R	R		R					
Nitrogen & Propane	M	M	M		M	R		M	R				
Hazardous Chemicals	M	M	M	R	M		M	M	M				
Solvent Usage	M	M	M	R	R		R	M	R				
Painting	M	M	M	R			M	R					
Fueling	M	M	M					M					
Driving		M	M										M
Elevated Work	M	M	M							M			
Pressurized Washing	M	M	M		M	R		R					

M = MANDATORY

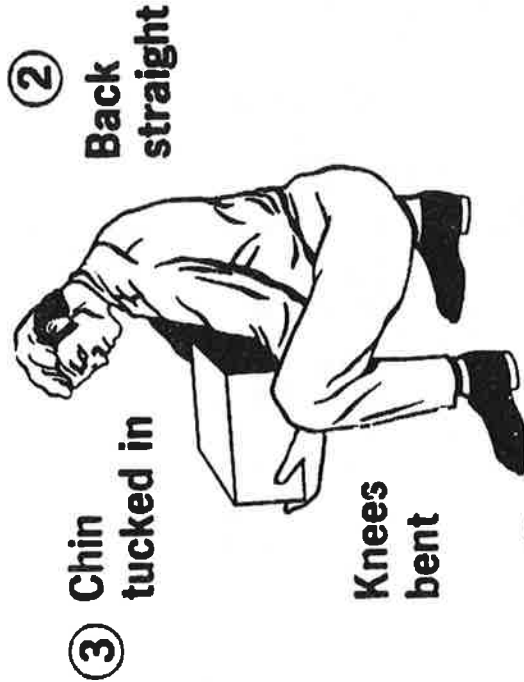
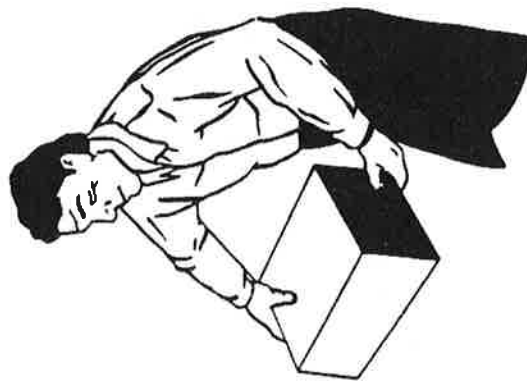
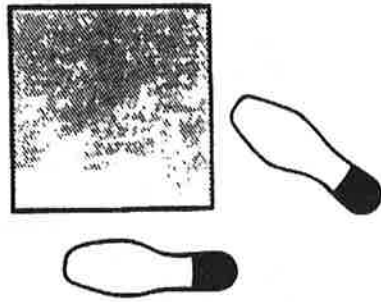
R = RECOMMENDED

Note: Any questions on PPE concerning other jobs not mentioned above contact your supervisor or the safety department.

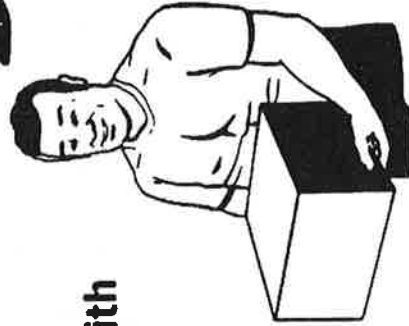
# APPENDIX B

## LIFTING

- ① One foot to the side  
One foot behind



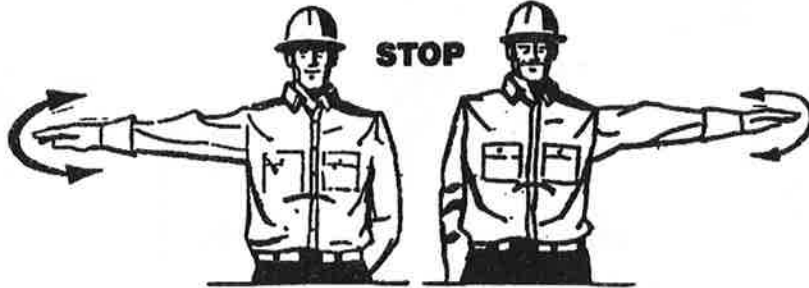
- ④ Grip object with whole hand



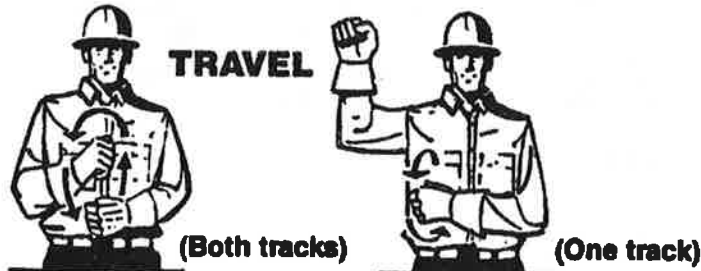
- ⑤ Elbows tucked in
- ⑥ Body weight directly over feet

# APPENDIX C

## EVERYBODY MUST UNDERSTAND BEFORE ANYTHING MOVES



Arm extended, palm down, move hand horizontal.

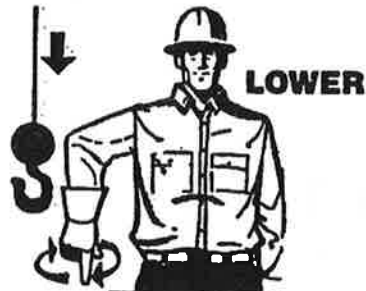


Both fists in front of body, making a circular motion about each other, indicating direction of travel; forward or backward.

Lock track on side of raised fist, rotate other fist in direction of opposite track.



With forearm vertical, finger pointing up, move hand in small horizontal circles.



With arm extended down, move forefinger pointing down, move hand in circles.

**USE MAIN  
HOIST**



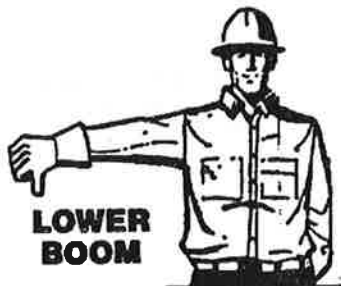
Tap fist on head; then use regular signals.

**USE  
WHIPLINE  
(Auxiliary)**



Tap elbow; then use regular signals.

**LOWER  
BOOM**



Arm extended, fingers closed, thumb pointing downward.

**RAISE  
BOOM**



Arm extended, fingers closed, thumb pointing upward.

**LOWER THE BOOM AND RAISE THE LOAD**

With arm extended, thumb down, flex fingers in and out as long as load movement is desired.



Arm extended, fingers closed, thumb down, other arm vertical, forefinger upward and rotate hand.



**RAISE THE BOOM AND LOWER THE LOAD**

With arm extended, thumb pointing up, flex fingers in and out as long as load movement desired.

Arm extended, fingers closed, thumb pointing upward, other arm bent slightly with forefinger pointing down and rotate hand.

**EXTEND BOOM**

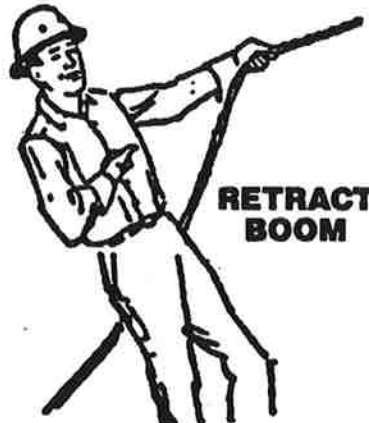
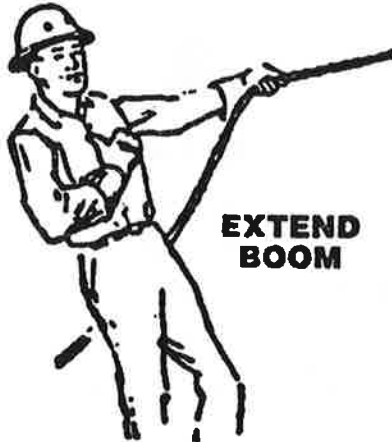


Both fists in front of body with thumbs pointing outward.

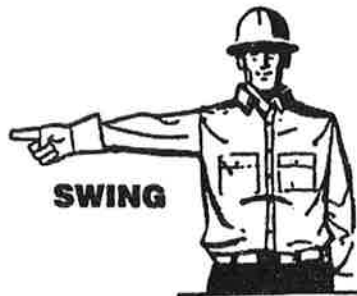
**RETRACT BOOM**



Both fists in front of body with thumbs pointing toward each other.







**SWING**

Arm extended, point in direction of swing of boom.



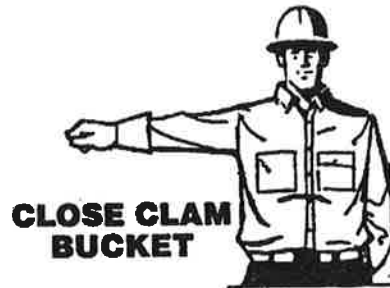
**MOVE SLOWLY**

Use one hand to give any motion signal and place other hand motionless in front of hand giving the motion signal (Hoist slowly shown as example.)



**OPEN CLAM BUCKET**

Arm extended, palm down, open hand.



**CLOSE CLAM BUCKET**

Arm extended, palm down, close hand.



**DOG EVERYTHING**

Clasp hands in front of body.



## **ACKNOWLEDGMENT OF RECEIPT**

I acknowledge that I have received a copy of Bridger Coal Company's ACCIDENT/INJURY PREVENTION MANUAL.

As a condition of employment with Bridger Coal Company, I understand that I am to read and abide by the rules, regulations and practices as described therein.

Name (Printed): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT C  
TO DRAGLINE PURCHASE AGREEMENT

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that BRIDGER COAL COMPANY, a joint venture organized under the laws of the state of Wyoming, hereinafter called "Seller", for and in consideration of the sum of Five Hundred Thousand Dollars (\$500,000.00) the receipt and sufficiency of which are hereby acknowledged, does bargain, sell, transfer, assign and convey to TITAN FLORIDA, LLC, a Delaware limited liability company hereinafter called "Buyer", all of Seller's right, title and interest in and to that one certain P&H 732 walking dragline, Serial No. 732-350, including two buckets, together with the parts physically present in close proximity to the Dragline and all associated drawings, specifications, maintenance records and operations and maintenance manuals in Seller's possession or control, hereinafter called collectively the "Property", to have and to hold unto the Buyer, its successors and assigns forever, in accordance with that certain Page 732 Dragline Purchase Agreement dated \_\_\_\_\_, 2015.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale this \_\_\_\_\_ day \_\_\_\_\_, 2016.

SELLER:  
BRIDGER COAL COMPANY

By: PACIFIC MINERALS INC., Joint Venturer

By: \_\_\_\_\_  
Title: \_\_\_\_\_

By: IDAHO ENERGY RESOURCES, Joint Venturer

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## **Exhibit J**

**IDAHO POWER COMPANY  
EXHIBIT J  
PROPOSED JOURNAL ENTRIES**

<u>FERC Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
131	Cash	150,000	
123.015	Investment in Bridger Coal Company		150,000

*To record the sale of the Page 732E Dragline and associated parts.*