



CLOUD PEAK
ENERGY®

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OCT 30 2019

DNMS

October 17, 2019

Certified Mail Return Receipt Requested and Email (michelle.simmons@nrc.gov)

U.S. Nuclear Regulatory Commission, Region IV
1600 Lamar Blvd.
Arlington, TX 76011

PUBLIC
☐ Immediate Release
☒ Normal Release

NON-PUBLIC
☐ A.3 Sensitive-Security Related
☐ A.7 Sensitive Internal
☐ Other: _____

Re: Application: **Transfer of Control of NRC License No. 49-29429-01** Reviewer: Per Date: 11-6-19

Expedited Review Requested (by October 18, 2019)

Pursuant to 10 C.F.R. § 30.34(b), Cordero Mining LLC ("Cordero") hereby requests written consent from the U.S. Nuclear Regulatory Commission ("NRC") for a proposed transfer of control of NRC license 49-29429-01 to Navajo Transitional Energy Company, LLC ("NTEC").

The following information is submitted consistent with Chapter 5 (Change of Control) and Appendix E (Information Needed for Transfer of Control Application) of NUREG-1556, Vol. 15, Rev. 1, *Consolidated Guidance About Materials Licenses: Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*.

1. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only.

NTEC will purchase substantially all Cordero's assets (including its NRC license) in a sale approved by the U.S. Bankruptcy Court for the District of Delaware, case number 19-11047 (KG) on October 2, 2019. The sale is expected to close on October 18, 2019.

*Navajo Transitional Energy Company, LLC
c/o Tim Fagley
385 Interlocken Crescent, Suite 400
Broomfield, CO 80021
(505) 278-8625*

2. Describe any changes in personnel or duties that relate to the licensed program. Including training and experience for new personnel and any changes in the training program.

NTEC will retain willing employees of Cordero so there are no changes in personnel, duties, or licensed programs.

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3. Describe any changes in the location facilities, equipment, radiation safety program, use, possession, waste management or other procedures that relate to the licensed program.

None.

4. Describe the status of the licensee's facility, equipment, and radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.

No change.

5. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.

NTEC will provide its own financial assurance instruments. Please provide copies of Cordero's DFP and other financial assurance documents to NTEC's counsel:

*Ryen Godwin
Schwabe, Williamson & Wyatt
1420 5th Ave., Suite 3400
Seattle, Washington 98101*

6. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

All records will be transferred to NTEC.

7. Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.

See attached Order of Sale. Both transferor and transferee agree to transferring control of the licensed material. Transferee has been made aware of open inspection items, if any.

8. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

N/A

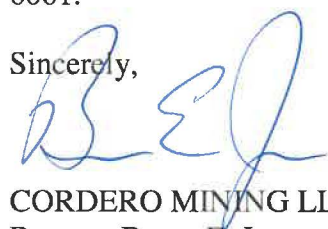
9. The transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.

N/A

Cordero is filing this request immediately after the U.S. Bankruptcy Court's entry of the Order of Sale, but before the anticipated closing date of October 18, 2019. NTEC and Cordero therefore respectfully request issuance of NRC's written consent to the proposed direct transfers of control as soon as possible, but not later than October 17, 2019. CPE and NTEC respectfully request that if the license transfer request will not be approved until after October 18, 2019, that the NRC consider the pendency of this request as sufficient compliance with the transfer requirements.

Questions or comments pertaining to this application should be directed to Darryl Maunder, Cloud Peak Energy, Director of Environmental and Regulatory Affairs at darryl.maunder@cldpk.com, or (307) 685-6061.

Sincerely,



CORDERO MINING LLC

By: Bruce E. Jones

Its: Executive Vice President and Chief Operating Officer

Enclosures: U.S. Bankruptcy Court, *Order of Sale*, case number 19-11047 (KG)

cc: Clark Moseley, CEO
Brien Flanagan, Schwabe, Williamson, & Wyatt
Ryen Godwin, Schwabe, Williamson, & Wyatt

I Bruce E. Jones, certify that the information contained in this license transfer application pertaining to Cordero Mining LLC is true and correct.

Executed on October 17, 2019

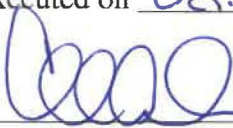


Name: Bruce E. Jones

Title: Executive Vice President and Chief Operating Officer

I CLARK A. MOSELEY, certify that the information contained in this license transfer application pertaining to Navajo Transitional Energy Company, LLC is true and correct.

Executed on Oct. 15, 2019



Name: Clark Moseley

Title: Chief Executive Officer

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re)	Chapter 11
CLOUD PEAK ENERGY INC., <i>et al.</i> ,)	Case No. 19 – 11047 (KG)
Debtors. ¹)	(Jointly Administered)
)	Re: Docket No. 52

ORDER (I) APPROVING SALE OF THE DEBTORS' ASSETS
FREE AND CLEAR OF LIENS, (II) APPROVING ASSUMPTION
AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES, AND (III) GRANTING RELATED RELIEF

Upon the *Motion of Debtors for Entry of Orders (A)(I) Approving Bidding Procedures, (II) Scheduling the Bid Deadlines and the Auction, (III) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (IV) Approving the Form and Manner of Notice Thereof, (V) Approving Contract Assumption and Assignment Procedures, and (VI) Granting Related Relief and (B)(I) Approving the Sale of the Assets Free and Clear of Liens, (II) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 52] (the “**Sale Motion**”),² filed by the above-captioned debtors and debtors in possession (the “**Debtors**”) and upon the *Declaration of Heath Hill in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 21] (the “**First Day Declaration**”),

¹ The Debtors in these Chapter 11 Cases and the last four digits of their respective federal tax identification numbers are: Antelope Coal LLC (8952); Arrowhead I LLC (3024); Arrowhead II LLC (2098); Arrowhead III LLC (9696); Big Metal Coal Co. LLC (0200); Caballo Rojo LLC (9409); Caballo Rojo Holdings LLC (4824); Cloud Peak Energy Finance Corp. (4674); Cloud Peak Energy Inc. (8162); Cloud Peak Energy Logistics LLC (7973); Cloud Peak Energy Logistics I LLC (3370); Cloud Peak Energy Resources LLC (3917); Cloud Peak Energy Services Company (9797); Cordero Mining LLC (6991); Cordero Mining Holdings LLC (4837); Cordero Oil and Gas LLC (5726); Kennecott Coal Sales LLC (0466); NERCO LLC (3907); NERCO Coal LLC (7859); NERCO Coal Sales LLC (7134); Prospect Land and Development LLC (6404); Resource Development LLC (7027); Sequatchie Valley Coal Corporation (9113); Spring Creek Coal LLC (8948); Western Minerals LLC (3201); Youngs Creek Holdings I LLC (3481); Youngs Creek Holdings II LLC (9722); Youngs Creek Mining Company, LLC (5734). The location of the Debtors’ service address is: 385 Interlocken Crescent, Suite 400, Broomfield, Colorado 80021.

² Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Sale Motion.

and upon the *Declaration of Marc D. Puntus in Support of the Debtors' Bidding Procedures and Sale Motion* [Docket No. 197] (the “**Puntus Declaration**”), and upon the *Supplemental Declaration of Marc. D. Puntus in Support of the Debtors' Bidding Procedures and Sale Motion* [Docket No. 590] (the “**Puntus Sale Declaration**”), and upon the Declaration of Michael Gisin in Support of the Sale of Certain of the Debtors' Assets [Docket No. 588] (the “**Gisin Sale Declaration**”), and upon the *Order (I) Approving Bidding Procedures, (II) Scheduling the Bid Deadlines and the Auction, (III) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (IV) Approving the Form and Manner of Notice Thereof, (V) Approving Contract Assumption and Assignment Procedures, and (VI) Granting Related Relief* [Docket No. 272] (the “**Bidding Procedures Order**”); and the auction (the “**Auction**”) having been held on August 15-16, 2019 in accordance with the Bidding Procedures Order; and the Debtors having filed the *Notice of Winning Bidder and Backup Bidder with Respect to the Auction of the Debtors' Assets* [Docket No. 586], designating the Navajo Transitional Energy Company, LLC as the “**Purchaser**” (as defined in the Purchase Agreement) as the Winning Bidder pursuant to the Sale Motion, as related to that certain Asset Purchase Agreement dated as of August 19, 2019 between the Debtors and the Purchaser (the “**Initial Purchase Agreement**”), which Initial Purchase Agreement was amended by that certain First Amendment to the Asset Purchase Agreement dated as of September 30, 2019, between the Debtors and the Purchaser (such amendment, together with the Initial Purchase Agreement, the “**Purchase Agreement**”),³ and the Sale Hearing having been held on August 19, 2019 to consider the remaining relief requested in the Sale Motion and approval of the Purchase Agreement; and appearances of all interested parties having been noted on the record of the Sale Hearing; and upon all of the proceedings had before this Court (including

³ A true and correct copy of the Purchase Agreement is attached hereto as Exhibit A.

the testimony and other evidence proffered or adduced at the hearing held on June 28, 2019 to approve the Bidding Procedures (the “*Bidding Procedures Hearing*”) and the Sale Hearing); and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Sale Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and it appearing that proper and adequate notice of the Sale Motion has been given under the circumstances and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:⁴

A. Jurisdiction and Venue: This Court has jurisdiction to consider the Sale Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. Approval of the Debtors’ entry into the Purchase Agreement and the transactions contemplated thereby (the “*Sale*”) is a core proceeding under 28 U.S.C. § 157(b). Venue in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a).

B. Final Order: This order (the “*Sale Order*”) constitutes a final order within the meaning of 28 U.S.C. § 158(a).

C. Statutory Predicates: The statutory predicates for the approval of the Purchase Agreement and Sale contemplated thereby are sections 105, 363, and 365 of the Bankruptcy Code, Rules 2002, 6004, 6006, and 9014 of the Bankruptcy Rules, and Local Rule 6004-1.

D. Notice: Proper, timely, adequate and sufficient notice of the Sale Motion and the Sale Hearing has been provided in accordance with sections 102(1), 105(a), 363, and 365 of the

⁴ The findings of fact and the conclusions of law stated herein shall constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

Bankruptcy Code, Bankruptcy Rules 2002, 4001 6004, 6006, 9007, and 9014, and in compliance with the Local Rules and Bidding Procedures Order, including to the Notice Parties (as defined below) and more broadly by publication as set forth in the *Affidavit of Publication* [Docket No. 463]. The foregoing notice was good, sufficient and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Sale Hearing, the Purchase Agreement or the Sale is required. The disclosures made by the Debtors concerning the Purchase Agreement, the Sale, and the Sale Hearing were sufficient, complete and adequate.

E. Contract Assumption and Assignment: A Cure Notice has been filed on the docket in accordance with the Bidding Procedures (the “*Cure Notice*”) [Docket No. 376]. The service of the Cure Notice was sufficient under the circumstances, and no further notice need be given with respect to the Debtors’ assumption and assignment of the Purchased Contracts (as defined in the Purchase Agreement) or the establishment of associated Cure Costs (as defined below). Counterparties to the Purchased Contracts have had an adequate opportunity to object to the Debtors’ assumption and assignment of the Purchased Contracts and the associated Cure Costs.

F. Opportunity to Object and be Heard: A reasonable opportunity to object or be heard regarding the relief requested in the Sale Motion and the Sale has been afforded to all interested persons and entities.

G. Business Justification: The Debtors have demonstrated an adequate business justification supporting their entry into the Sale, the Debtors’ assumption and assignment of the Purchased Contracts and the sale of the Purchased Assets (as defined in the Purchase Agreement). Such action is an appropriate exercise of the Debtors’ business judgment and in the best interests of the Debtors, their estates and their creditors. The reasons underlying the Debtors’ sound exercise of their business judgment include: (i) the Purchased Assets have been comprehensively marketed

and the Purchase Agreement constitutes the highest or otherwise best offer for the Purchased Assets; (ii) the continued operation of the Purchased Assets and corresponding costs will continue to deplete the Debtors' liquidity, so there is a "need for speed" to consummate the Sale in a prompt manner; (iii) the Sale will present the best opportunity to realize the value of the Purchased Assets on a going concern basis and to avoid decline and devaluation of the related business; (iv) the Bidding Procedures utilized were designed to yield the highest or otherwise best and most feasible bids for the Purchased Assets; and (v) the Debtors and the Purchaser engaged in good faith, arm's-length negotiations in order to achieve the Sale contemplated in the Purchase Agreement. Entry of this Sale Order is a condition precedent to the Purchaser consummating the Sale.

H. Opportunity to Bid: As demonstrated by: (i) the First Day Declaration, the Puntus Declaration, the Puntus Sale Declaration, and the Gisin Sale Declaration; (ii) the testimony and other evidence proffered or adduced at the Bidding Procedures Hearing and the Sale Hearing; and (iii) the representations of the Debtors' counsel made on the record at the Bidding Procedures Hearing and the Sale Hearing, the Debtors and their advisors thoroughly marketed the Debtors' assets (including the Purchased Assets) and conducted the marketing and sale process as set forth in and in accordance with the Sale Motion and the Bidding Procedures Order. Based upon the record of these proceedings, all creditors and other parties in interest and all prospective purchasers have been afforded a reasonable and fair opportunity to bid for the Debtors' assets (including the Purchased Assets).

I. Highest or Otherwise Best Offer: The total consideration provided by the Purchaser for the Purchased Assets is the highest or otherwise best and most feasible offer received by the Debtors. The Purchaser is the Winning Bidder for the Purchased Assets in accordance with the Bidding Procedures.

J. Good Faith Purchaser: The Sale has been negotiated by the Debtors and the Purchaser in good faith, at arm's length and without collusion or fraud. The terms and conditions of the Sale, including the total consideration to be realized by the Debtors pursuant to the Purchase Agreement, are fair and reasonable, and the Sale is in the best interest of the Debtors, their creditors and their estates.

K. The Purchaser is a "good faith purchaser" entitled to the full benefits and protections of section 363(m) of the Bankruptcy Code with respect to the sale of the Purchased Assets and the Sale.

L. The Purchase Agreement was not controlled by an agreement between potential or actual bidders within the meaning of section 363(n) of the Bankruptcy Code. The Debtors and the Purchaser have not engaged in any conduct that would cause or permit the Purchase Agreement or the consummation of the Sale to be avoided, or costs or damages to be imposed, under section 363(n) of the Bankruptcy Code. Neither the Debtors nor the Purchaser has entered into the Purchase Agreement or is consummating the Sale with any fraudulent or otherwise improper purpose.

M. Nothing in this Sale Order shall constitute a finding of fact or conclusion of law with respect to violations (if any) on the applicant/violator system list maintained by the Department of Interior's Office of Surface Mining Reclamation and Enforcement and the Purchaser's ability to consummate the Sale on account thereof. Purchaser has represented that violations (if any) will be cured prior to consummation of the Sale.

N. Cause has been shown as to why this Sale Order should not be stayed pursuant to Bankruptcy Rules 6004(h) and 6006(d).

O. Transfer of Purchased Assets and Assumed Liabilities: The transfer of the Purchased Assets and the assumption of the Assumed Liabilities (as each such term is defined in the Purchase Agreement) in accordance with the terms of this Sale Order is integral to the Purchase Agreement and is in the best interests of the Debtors, their estates and their creditors, and the Debtors have an adequate business justification therefor.

P. Assumption and Assignment in Best Interests: The Debtors' assumption and assignment to Purchaser of the Purchased Contracts pursuant to the terms of this Sale Order is integral to the Sale and is in the best interests of the Debtors, their estates and their creditors, and represents the Debtors' exercise of reasonable business judgment. Pursuant to section 365(f) of the Bankruptcy Code, the Purchased Contracts shall be assigned and transferred to, and remain in full force and effect for the benefit of, the Purchaser notwithstanding any provision of the Purchased Contracts or other restriction prohibiting their assignment or transfer.

Q. Cure/Adequate Assurance: The Debtors have met all of the requirements of section 365(b) of the Bankruptcy Code for each of the Purchased Contracts. The Debtors and the Purchaser have provided adequate assurance (within the meaning of section 365(b)(1) of the Bankruptcy Code) of the cure of any default existing prior to the Closing Date (as defined in the Purchase Agreement) under any of the Purchased Contracts. The Purchaser has provided adequate assurance of its future performance of and under the Purchased Contracts, within the meaning of section 365(b)(1)(C) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). Notwithstanding the foregoing, or anything else in this Sale Order, parties that have filed any timely Cure Objection (as defined herein) shall retain all rights to pursue such objections, including on any issues related to Cure Costs and adequate assurance, at a future hearing

before the Court at a date and time to be agreed upon by the parties or otherwise ordered by the Court, to the extent such Cure Objections are not resolved consensually.

R. Free and Clear: The sale of the Purchased Assets to the Purchaser will be, as of the Closing Date, a legal, valid and effective transfer of such assets, and each such transfer shall, upon the Closing Date, vest the Purchaser with all right, title and interest of the Debtors to the Purchased Assets free and clear of all Liens (other than Permitted Exceptions and Assumed Liabilities, as such terms are defined in the Purchase Agreement), with any such Liens to attach to the net proceeds to be received by the Debtors in the same priority and subject to the same defenses and avoidability, if any, as were in existence on the Closing Date. The Purchaser would not enter into the Sale if the sale of the Purchased Assets was not free and clear of all Liens (other than Permitted Exceptions and Assumed Liabilities).

S. Satisfaction of 363(f) Standards: The Debtors may sell and assign the Purchased Assets free and clear of all Liens (other than Permitted Exceptions and Assumed Liabilities), because, with respect to each creditor asserting such a Lien, one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Liens who did not object or who withdrew their objections to the Sale or any Cure Notice are deemed to have consented to the Sale and the sale of the Purchased Assets to the Purchaser under section 363(f)(2) of the Bankruptcy Code. Those holders of Liens in the Purchased Assets who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Liens (if any) attach to the net proceeds of the Sale ultimately attributable to the Purchased Assets in which such holders allege a Lien, in the same order of priority, with the same validity, force and effect that such holder had prior to the Sale, and subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

T. No Successor Liability: The Purchaser and its affiliates and their respective predecessors, successors, assigns, members, partners, principals, directors, officers and shareholders (or equivalent) shall have no obligations with respect to any liabilities of the Debtors (other than the Permitted Exceptions and Assumed Liabilities).

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Relief Granted. The relief requested in the Sale Motion is granted as set forth herein.

2. Objections Overruled. Except as otherwise provided herein, all objections and responses to the Sale Motion, this Sale Order or the relief granted herein, that have not been overruled, withdrawn, waived, settled or otherwise resolved, are hereby overruled and denied on their respective merits with prejudice.

3. Notice. Notice of the Sale Motion, including without limitation, the Sale set forth in the Purchase Agreement and the assumption and assignment of the Purchased Contracts, the Auction, the Sale Hearing and the Sale, was fair and reasonable under the circumstances and complied in all respects with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9006, 9007, and 9014. *See* Docket No. 290 (affidavit of service of Sale Motion to parties listed therein); Docket No. 463 (affidavit of publication notice in the national edition of *USA Today*, *The Gillette News Record*, *The Sheridan Press*, *The Douglas Budget*, the *Big Horn County News*, and the *Broomfield Enterprise*).

4. Approval of Purchase Agreement. The Purchase Agreement and the Sale are hereby approved and authorized in all respects, and the Debtors are hereby authorized and empowered to enter into, and to perform their obligations under, the Purchase Agreement and to

execute and perform such agreements or documents, and take such other actions as are necessary or desirable to effectuate the terms of the Purchase Agreement.

5. Backup Bidder. Aspen Coal & Energy, LLC is deemed to be the Backup Bidder in accordance with the Bidding Procedures.

6. Good Faith Purchaser. The Purchaser is a good faith purchaser of the Purchased Assets and is hereby granted all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Sale Order are hereafter reversed, modified or vacated by a subsequent order of the Bankruptcy Court or any other court, such reversal, modification or vacatur shall not affect the validity and enforceability of any sale, transfer or assignment under the Purchase Agreement or obligation or right granted pursuant to the terms of this Sale Order (unless stayed pending appeal prior to the Closing Date) and, notwithstanding any reversal, modification or vacatur, any sale, transfer or assignment, shall be governed in all respects by the original provisions of this Sale Order or the Purchase Agreement, as the case may be.

7. Section 363(n) of the Bankruptcy Code. The Sale approved by this Sale Order is not subject to avoidance or any recovery of damages pursuant to section 363(n) of the Bankruptcy Code.

8. Authorization of Performance by the Debtors. The Debtors are authorized to fully perform under, consummate and implement the terms of the Purchase Agreement together with any and all additional instruments and documents that may be reasonably necessary or desirable to implement and effectuate the terms of the Purchase Agreement, this Sale Order and the Sale, including, without limitation, bills of sale, deeds, assignments, stock powers, transfers of membership interests and other instruments of transfer and to take all further actions as may

reasonably be requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser, or reducing to possession any or all of the Purchased Assets, as may be reasonably necessary or appropriate to the performance of the Debtors' obligations as contemplated by the Purchase Agreement, without any further corporate or similar action or orders of the Bankruptcy Court.

9. The Debtors are authorized and empowered to cause to be filed with the secretary of state of any state or other applicable officials of any applicable governmental units, any and all deeds, certificates, agreements or amendments necessary or appropriate to effectuate the transactions contemplated by the Purchase Agreement, any related agreements and this Sale Order, including amended and restated certificates or articles of incorporation and by-laws or certificates or articles of amendment and all such other actions, filings or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any of the officers of the Debtors may determine are necessary or appropriate.

10. Valid Transfer. Effective as of the Closing (as defined in the Purchase Agreement), the sale of the Purchased Assets and the Purchased Contracts by the Debtors to the Purchaser shall constitute a legal, valid and effective transfer of the Purchased Assets and the Purchased Contracts notwithstanding any requirement for approval or consent by any person, and will vest the Purchaser with all right, title and interest of the Debtors in and to the Purchased Assets, free and clear of all Liens (other than Permitted Exceptions and Assumed Liabilities) pursuant to section 363(f) of the Bankruptcy Code.

11. The Debtors Shall Not Retain Liability for Purchased Contracts and Assumed Liabilities. Effective on the Closing, and subject to 43 C.F.R. § 3453.2-4(b) and paragraphs 21 and 29 through 32 of this Sale Order (as to governmental units only) (a) the assumption of the

Purchased Contracts and the Assumed Liabilities by the Purchaser constitutes a legal, valid, effective, complete and absolute sale, conveyance and transfer from the Debtors to the Purchaser of any and all Liabilities relating to, in connection with or arising under the Purchased Contracts and Assumed Liabilities and (b) the Debtors shall have no liability to the Purchaser, any governmental agency, surety, or any other creditor or person for any Liabilities (as defined in the Purchase Agreement) with respect to the Purchased Contracts and the Assumed Liabilities (which shall, for the avoidance of doubt, include, among other things, all Liabilities arising under or relating to (x) any Environmental Laws and (y) the Transferred Permits/Licenses, including such Liabilities thereunder arising out of or relating to all Reclamation and post-mining Liabilities of the Business (as defined in the Purchase Agreement) and Purchased Assets).

12. Free and Clear. Except to the extent specifically provided in the Purchase Agreement, upon the Closing, the Debtors shall be, and hereby are, authorized and empowered, pursuant to sections 105, 363(b) and 363(f) of the Bankruptcy Code, to sell the Purchased Assets and assign the Purchased Contracts to the Purchaser. The sale of the Purchased Assets and the assignment of the Purchased Contracts to the Purchaser vests the Purchaser with all right, title and interest of the Debtors to the Purchased Assets free and clear of any and all Liens (other than Permitted Exceptions and Assumed Liabilities) with all such Liens to attach only to the net proceeds of the Sale with the same priority, validity, force and effect as they now have in or against the Purchased Assets. The Sale Motion shall be deemed to provide sufficient notice as to the sale of the Purchased Assets free and clear of all Liens (other than Permitted Exceptions and Assumed Liabilities) in accordance with the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

13. The provisions of this Sale Order authorizing the sale of the Purchased Assets shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file

releases, termination statements, assignments, consents or other instruments in order to effectuate, consummate and implement the provisions of this Sale Order.

14. Direction to Creditors. On the Closing Date, each of the Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be reasonably necessary to release its Liens (other than Permitted Exceptions and Assumed Liabilities) on the Purchased Assets, if any, as such Liens may otherwise exist. If any person or entity that has filed financing statements, mortgages, deeds of trust, mechanics liens, *lis pendens* or other documents, instruments, notices or agreements evidencing any such Liens against the Purchased Assets shall not have delivered to the Debtors before the Closing, in proper form for filing and executed by the appropriate parties, termination statements, releases or instruments of satisfaction that the person or entity has with respect to the Purchased Assets, then with regard to the Purchased Assets, (a) the Purchaser is authorized to execute and file such termination statements, releases, instruments of satisfaction or other documents on behalf of the person or entity with respect to the Purchased Assets; and (b) the Debtors and/or Purchaser are authorized to file, register or otherwise record a certified copy of this Sale Order which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of such Liens against the Purchased Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, county, local, tribal or foreign government agency, department or office.

15. Purchaser Note. The Debtors and the Purchaser are hereby authorized to (i) enter into, and take such actions as necessary or desirable to effectuate and perform under, the Note (as defined in the Purchase Agreement, the "*Note*") and all documents or agreements related thereto (the "*Note Documents*"). Upon the closing of the Note, (a) the liens granted and contemplated by

the Note Documents shall be valid, binding, perfected and enforceable liens on the collateral specified in the Note Documents (which shall include, but are not limited to, the collateral set forth in Exhibit E to the Purchase Agreement), (b) the obligations, guarantees, mortgages, pledges, liens and other security interests granted or contemplated by the Note Documents shall be deemed to have been granted in good faith, for good and valuable consideration and for legitimate business purposes as an inducement to the lenders thereunder to extend credit thereunder, and such guarantees, mortgages, pledges, liens other security interests and other obligations incurred under the Note Documents shall be deemed to not constitute a fraudulent conveyance or fraudulent or preferential transfer, shall not otherwise be subject to avoidance or recharacterization under applicable federal or state laws and will not subject the secured parties thereunder (including the loan agent, if any) to any liability by reason of incurrence of such obligation or grant of such liens under applicable federal or state laws, including, but not limited to, successor or transferee liability, and the priorities of such liens and security interests shall be as set forth in the Note Documents. The Note and all related mortgages and security agreements shall, upon execution, constitute the legal, valid and binding obligations of the obligors and guarantors thereunder, enforceable in accordance with their terms and not in contravention of any state or federal law. In the event of an order dismissing any of these chapter 11 cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such liens and obligations shall not be affected and shall continue in full force and effect in all respects and such liens shall maintain their priorities and perfected status as provided in such documents.

16. Direction to Government Agencies. Each and every filing agent, filing officer, title agent, recording agency, governmental department, secretary of state, county, federal, state and local official and any other persons or entities that may be required by operation of law or the

duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments or who may be required to report or insure any title in or to the Purchased Assets, is hereby authorized and directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement and this Sale Order.

17. Direction to Surrender Possession or Control. All persons or entities, presently or on or after the Closing Date, in possession or control of some or all of the Purchased Assets are directed to surrender possession or control of the Purchased Assets to the Purchaser on the Closing Date or at such time thereafter as the Purchaser may reasonably request.

18. Licenses and Permits. To the extent provided in the Purchase Agreement and available under applicable law, the Purchaser may, as of the Closing Date and subject to paragraph 21, operate under any license, permit, registration and any other governmental authorization or approval of the Debtors with respect to the Purchased Assets and the Purchased Contracts. To the extent any license or permit necessary for the operation of the Business is determined not to be an executory contract assumable and assignable under section 365 of the Bankruptcy Code, the Purchaser shall apply for and obtain any necessary license or permit as provided in the Purchase Agreement, and such licenses or permits of the Debtors shall remain in place for the Purchaser's benefit until new licenses and permits are obtained.

19. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Purchased Assets sold, transferred or conveyed to the Purchaser on account of the filing or pendency of these chapter 11 cases or the consummation of the transactions contemplated by the Purchase Agreement.

20. No Successor Liability. The Purchaser and its affiliates and their respective predecessors, successors, assigns, members, partners, officers, directors, principals and shareholders (or equivalent) are not and shall not be (a) deemed a “successor” in any respect to the Debtors or their estates (other than for purposes of section 1145 of the Bankruptcy Code) as a result of the consummation of the Sale contemplated by the Purchase Agreement or any other event occurring in these chapter 11 cases under any theory of law or equity, (b) deemed to have, de facto or otherwise, merged or consolidated with or into the Debtors or their estates, (c) deemed to have a common identity with the Debtors, (d) deemed to have a continuity of enterprise with the Debtors or (e) deemed to be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors. The Purchaser shall not assume, nor be deemed to assume or in any way be responsible for any liability or obligation of any of the Debtors (other than Assumed Liabilities) and/or their estates and the Sale Motion contains sufficient notice of such limitation in accordance with applicable law. Without limiting the generality of the foregoing, except for the Assumed Liabilities, the transfer of the Purchased Assets and the Purchased Contracts to the Purchaser under the Purchase Agreement shall not result in (x) the Purchaser and its affiliates and their respective predecessors, successors, assigns, members, partners, officers, directors, principals and shareholders (or equivalent) or the Purchased Assets, having any liability or responsibility for any claim against the Debtors; (y) the Purchaser and its affiliates and their respective predecessors, successors, assigns, members, partners, officers, directors, principals and shareholders (or equivalent) or the Purchased Assets, having any liability whatsoever with respect to or be required to satisfy in any manner, whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly, any Liens (other than Permitted Exceptions or Assumed Liabilities); or (z) the Purchaser and its affiliates and their respective predecessors, successors, assigns, members,

partners, officers, directors, principals and shareholders (or equivalent) or the Purchased Assets, having any liability or responsibility to the Debtors except as is expressly set forth in the Purchase Agreement.

21. Nothing in this Sale Order or the Purchase Agreement releases, nullifies, precludes, or enjoins the enforcement of any obligation or liability arising from a police or regulatory power of a governmental unit that any entity would be subject to as the owner or operator of property after the Closing of the Sale; provided, however, that, except as otherwise provided by the Purchase Agreement, nothing herein shall subject the Purchaser to liability to a governmental unit for penalties for days of violation prior to Closing, response costs incurred by a governmental unit prior to Closing, or any liability relating to offsite disposal that occurred prior to Closing. For the avoidance of doubt, nothing in this Sale Order or the Purchase Agreement shall impair the exercise of the police or regulatory power of the United States or any other governmental unit after the Closing of the Sale with respect to any person or entity. Effective upon Closing, the Purchaser assumes: (a) ONRR Audit Case No. 18.00011.001 in an amount to be determined, if any, after a final determination (including any appeal) is made, plus interest and fees as allowed under applicable law; (b) Administrative Appeal No. ONRR-17-0011-COAL (ONRR Audit Case No. 12.00736.001) in an amount to be determined, if any, after a final determination (including any appeal) is made, plus interest and fees as allowed under applicable law (together with the audit identified in (a) above, the “*Pending Audits*”); and (c) the installment agreement for payment of royalty debt with a balance not to exceed \$1,583,824.17, plus interest and fees as allowed under the installment agreement related to invoices OTH100006676 and OTH100009681 between Spring Creek Coal, LLC and the ONRR. Each of (a) through (c) above shall survive unaffected by the entry of this Sale Order. In addition, nothing in this Sale Order or the Purchase Agreement

authorizes the transfer or assignment of any governmental license, permit, registration, authorization, or approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements under police or regulatory law. The United States' (including any and all of its agencies') rights to offset or recoup any amounts due under, or relating to, claims or debts that the United States (including any and all of its agencies) may have or assert are expressly preserved.

22. Sureties. Arch Insurance Company, Argonaut Insurance Company, Aspen American Insurance Company, Aspen Specialty Insurance Company, Fidelity and Deposit Company of Maryland, Colonial American Casualty and Surety Company, American Guarantee and Liability Insurance Company, and North American Specialty Insurance Company (collectively, the “***Sureties***” and each, individually, a “***Surety***”) have issued commercial surety bonds on behalf of certain of the Debtors (collectively, the “***Existing Surety Bonds***” and, each individually, an “***Existing Surety Bond***”). These Existing Surety Bonds are issued pursuant to certain existing indemnity agreements and/or related agreements (including coal reclamation bond agreements) by and between the Sureties, on the one hand, and the Debtors and their affiliates and certain non-Debtors (if any), as applicable, on the other hand (collectively, the “***Existing Indemnity Agreements***” and, each, an “***Existing Indemnity Agreement***”).

23. If the Closing Date of the Sale occurs prior to (i) the Purchaser's procurement of new operating permits, either replaced or transferred (the “***Replacement Permits***”) with respect to the Purchased Assets, (ii) the execution of new indemnity agreements by and between the Purchaser's surety or sureties (which may include one or more of the Sureties), on the one hand, and the Purchaser, on the other hand (the “***Replacement Indemnity Agreements***”), and (iii) the replacement of all Existing Surety Bonds with new surety bonds from the Purchaser's surety or

sureties (which may include one or more of the Sureties) (collectively, the “**Replacement Surety Bonds**”), which items (i) through (iii) shall be promptly effected in accordance with applicable non-bankruptcy law, the Purchaser shall enter into an agreement (an “**Interim Agreement**”), subject to applicable law, that would, among other provisions acceptable to the Sureties, the Debtors,⁵ and the Purchaser in each of their respective sole discretion, allow the Purchaser to operate the Purchased Assets under the Debtors’ existing mining permits (collectively, the “**Existing Permits**”), Existing Indemnity Agreements and Existing Surety Bonds until the Purchaser obtains Replacement Permits, Replacement Indemnity Agreements, and Replacement Bonds. An Interim Agreement shall require, among other provisions acceptable in the Sureties, the Debtors, and the Purchaser’s respective sole discretion, that the Purchaser (a) assumes all obligations under the Existing Permits, Existing Indemnity Agreements and the Existing Surety Bonds for the mining and other activities the Purchaser conducts during the term of the Interim Agreement and (b) indemnifies the Debtors (and their respective directors and officers) and the Sureties from and against any and all claims, liability, loss or default that occur during the term of the Interim Agreement including, without limitation, any reclamation obligations arising from any mining activities conducted during such term.

24. With regard to each Surety, upon the (a) issuance of the Replacement Permits, (b) execution of the Replacement Indemnity Agreements (if applicable), (c) termination and/or release of all Existing Surety Bonds, and (d) satisfaction of all obligations under the Existing Indemnity Agreements, including, without limitation, the payment and/or reimbursement of all premiums, fees and expenses, including reasonable attorneys’ fees, which may be from any

⁵ The Debtors determination as to whether any such provision is acceptable shall be subject to any consent rights of the Required Consenting Noteholders (as defined in that certain Second Amended and Restated Sale and Plan Support Agreement).

collateral or the proceeds of such collateral securing such Existing Surety Bonds and Existing Indemnity Agreements (the “*Surety Collateral*”), (x) the applicable Surety shall release the then remaining Surety Collateral (if any) securing such Existing Surety Bonds and/or Existing Indemnity Agreements or the proceeds of such then remaining Surety Collateral and refund any unearned premiums, and such Surety shall be irrevocably directed to deliver such then remaining Surety Collateral or the proceeds thereof and any such unearned premiums to the Debtors and (y) the Debtors shall have no further obligations to such Surety under the Existing Surety Bonds and/or the Existing Indemnity Agreements with such Surety on account of the Purchased Assets.

25. Nothing in this Sale Order, the Purchase Agreement, or any documents related to any of the foregoing shall be construed to authorize or permit the Debtors’ assumption and assignment of any Existing Surety Bond or Existing Indemnity Agreement or to obligate any Surety to replace any Existing Surety Bond in connection with the Sale.

26. Nothing in this Sale Order or the Purchase Agreement shall be deemed to provide a Surety’s consent to the substitution of any principal under any Existing Surety Bond or Existing Indemnity Agreement.

27. Except as set forth in an Interim Agreement, the Purchaser shall not be (a) liable for any Existing Surety Bonds and/or obligations arising under the Existing Indemnity Agreements to the extent they relate to any assets that are not Purchased Assets or (b) deemed a substitute principal under any Existing Surety Bond or an indemnitor under any Existing Indemnity Agreement.

28. Nothing in this Sale Order or the Purchase Agreement shall be deemed to: (1) alter, limit, expand, modify, release, waive or prejudice any rights, remedies and/or defenses of the Sureties under the Existing Surety Bonds relating to any assets, obligations or liabilities to be

transferred to Purchaser, including, without limitation, mining permits, surface and coal leases, mine-related facilities and other contractual obligations; (2) authorize or permit the assignment or assumption of any Existing Surety Bonds, any Existing Indemnity Agreements, including without limitation, any collateral agreement or other agreements between the Debtors and the Sureties (collectively, the “***Surety Agreements***”); (3) alter, limit, expand, modify, prejudice, release or waive any rights of the Sureties or obligees under the Surety Agreements; (4) alter, limit, expand, modify, prejudice, waive or release any rights of the Sureties in any and all collateral that secures the obligations of the Debtors under any Existing Surety Bonds or Existing Indemnity Agreements; or (5) alter, limit, expand, modify, prejudice, waive or release any rights of the Sureties or obligees in connection with any of the Debtors’ chapter 11 cases. Nothing in this Sale Order shall be deemed to provide any Surety’s consent to any sale to any entity other than the Winning Bidder. The Sureties expressly reserve all rights with respect to any proposed sale to any other bidder, including any Backup Bidder.

29. Government Reservations. Notwithstanding any provisions in the Sale Motion, this Sale Order, the Purchase Agreement, the Auction, or any Cure Notice relating to any contracts, leases, covenants, operating rights agreements, rights-of-use and easements, and rights-of-way or other interests or agreements (a) with the federal government or (b) involving federal land or minerals (collectively, the “***Federal Leases***”) and/or any provision of any agreements entered into by the Debtors pursuant to this Sale Order (collectively the “***Federal Assumption Documents***”) to the contrary, any assumption, sale, assignment and/or transfer of any interests in the Federal Leases will be ineffective with respect thereto absent the consent of the Department of the Interior (“***Interior***”) if such consent is required under applicable non-bankruptcy laws and regulations.

30. In order to assume the Federal Leases and, where applicable, obtain the consent of Interior to any assignment and/or transfer of the Federal Leases, the Purchaser must, among other things, cure, or provide adequate assurance that they will promptly cure, all existing defaults under the applicable Federal Leases (if any) in the ordinary course subject to the applicable deadlines and requirements set forth in non-bankruptcy laws, regulations and administrative procedures.

31. The Debtors, the Purchaser, and the Office of Natural Resources Revenue (the “**ONRR**”) each reserve their respective rights regarding whether a challenge to any default required to be cured or any claim objections by the Debtors or the Purchaser to any audits should be heard by (a) the Court or (b) in the United States’ administrative review process leading to a final agency determination by Interior. If the Purchaser does not timely pay any Cure Costs when due in the ordinary course pursuant to applicable non-bankruptcy laws, regulations, and administrative procedures, the Purchaser will pay late payment charges on the untimely payment at the rate established in 30 C.F.R. § 1218.54 to the fullest extent permitted by applicable non-bankruptcy laws and regulations.

32. Notwithstanding any other provision of this Sale Order or the Purchase Agreement, following assumption of the Federal Leases, the ONRR will retain the right to audit and/or perform any compliance review and, if appropriate, collect from the Debtors (other than with respect to the Pending Audits) and/or the Purchaser under the Federal Leases, any additional money that was owed by the Debtors prior to the assumption and/or assignment of the Federal Leases without those rights being adversely affected by this Sale Order or the Purchase Agreement. The Debtors and/or the Purchaser, as applicable, will each individually retain all defenses and/or rights to challenge any such determination. The Debtors, the Purchaser, and the ONRR each reserve their respective rights regarding whether such challenge or any claim objections or estimations by the Debtors

should (a) be heard by the Court or (b) be made in the United States' administrative review process leading to a final agency determination by Interior. The audit and/or compliance review period shall remain open for the full statute of limitations period established by federal law, subject to the Debtors' rights (if any) under the Bankruptcy Code (including, without limitation, section 502(c) of the Bankruptcy Code) and applicable law.

33. Zurich. Notwithstanding anything to the contrary in the Sale Motion, the Bidding Procedures, the Bidding Procedures Order, the Purchased Contracts Schedule, any cure notice or assumption notice (including, but not limited to, any Cure Notice), or this Sale Order (i) none of the insurance policies or any related agreements (collectively, the "***Zurich Insurance Contracts***") issued at any time by Zurich American Insurance Company, American Guarantee and Liability Insurance Company and American Zurich Insurance Company (together with affiliates and successors of each, "***Zurich***") shall be sold, assigned or otherwise transferred to the Purchaser in connection with the Sale; (ii) nothing shall alter, modify or otherwise amend the terms or conditions of the Zurich Insurance Contracts; and (iii) for the avoidance of doubt, the Purchaser is not, and shall not be deemed to be, an insured under any of the Zurich Insurance Contracts; *provided, however*, that to the extent any claim with respect to any Purchased Assets or Assumed Liabilities arises that is covered by the Zurich Insurance Contracts, the Debtors may pursue such claim in accordance with the terms of the Zurich Insurance Contracts, and, if applicable, turn over to the Purchaser either (each, a "***Proceed Turnover***"), (i) the right to pursue such claim (to the extent assignable and subject to appropriate documentation) or (ii) any such insurance proceeds in accordance with Article 2.1(b)(xi)-(xii) of the Purchase Agreement (including in respect of a Casualty Event (as defined in the Purchase Agreement)); *provided, further, however*, that Zurich shall not have any duty to effectuate a Proceed Turnover or liability related to a Proceed Turnover.

34. Assumption and Assignment of Purchased Contracts. Under sections 105(a), 363 and 365 of the Bankruptcy Code, and subject to and conditioned upon the closing of the Sale and payment of applicable Cure Costs, the Debtors' assumption and assignment of the Purchased Contracts to the Purchaser pursuant to the terms set forth in the Purchase Agreement, as modified by the terms of any amendments reached directly by the Purchaser with the respective counterparty, is hereby approved, and the requirements of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code) with respect thereto are hereby deemed satisfied. Each counterparty to the Purchased Contracts is hereby forever barred, estopped and permanently enjoined from raising or asserting against the Debtors or the Purchaser, or the property of any of them, any assignment fee, default, breach, claim, pecuniary loss, liability or obligation (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, known or unknown, liquidated or unliquidated, senior or subordinate) arising under or out of, in connection with, or in any way related to the Purchased Contracts existing as of the Closing Date or arising by reason of the Closing.

35. Adequate Assurance. The Purchaser has provided adequate assurance of its future performance under the relevant Purchased Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the Debtors' assumption and assignment to the Purchaser of the Purchased Contracts have been satisfied.

36. Anti-Assignment Provisions Unenforceable. Subject to paragraphs 21 and 29 through 32 (as to Federal Leases only), in respect of the assumption and assignment of the

Purchased Contracts to the Purchaser, no sections or provisions of the Purchased Contracts that purport to (a) prohibit, restrict or condition Debtors' assignment of the Purchased Contracts, including, but not limited to, the conditioning of such assignment on the consent of the nondebtor party to such Purchased Contracts; (b) authorize the termination, cancellation or modification of the Purchased Contracts based on the filing of a bankruptcy case, the financial condition of the Debtors or similar circumstances; (c) declare a breach or default as a result of a change in control in respect of the Debtors; or (d) provide for additional payments, penalties, conditions, renewals, extensions, charges or other financial accommodations in favor of the nondebtor third party to the Purchased Contracts, or modification of any term or condition upon the assignment of Purchased Contract or the occurrence of the conditions set forth in subsection (b) above, shall have any force and effect as against the Purchaser, and such provisions constitute unenforceable anti-assignment provisions under section 365(f) of the Bankruptcy Code and/or are otherwise unenforceable under section 365(e) of the Bankruptcy Code. The entry of this Sale Order constitutes the consent of the nondebtor parties to the Purchased Contracts to the Debtors' assumption and assignment of such agreements to the Purchaser. All Purchased Contracts shall remain in full force and effect, without existing default(s), subject only to payment of the appropriate Cure Costs, if any, by the Purchaser, and for the avoidance of doubt, the Purchaser and the nondebtor parties to the Purchased Contracts shall have all rights under the Purchased Contracts except to the extent provided in the first sentence of this paragraph 36.

37. No Fees for Assumption and Assignment. There shall be no rent accelerations, assignment fees, increases or any other fees charged to the Purchaser, its successors or assigns or the Debtors as a result of the assumption and assignment of the Purchased Contracts, except that

federal governmental units may assess their ordinary fees for lease, license, or permit transfers or assignments.

38. Cure Costs. Subject to paragraphs 21, 29 through 32 (as to Federal Leases only), and 39 of this Sale Order, all defaults or other obligations shall be deemed cured by the Purchaser's payment or other satisfaction of the cure costs, if any, associated with the Purchased Contracts (the "***Cure Costs***"). Payment of the Cure Costs pursuant to the Purchase Agreement is hereby authorized. To the extent the Closing of the Sale has occurred prior to the resolution of any outstanding Cure Objections, the applicable Purchased Contracts will be conditionally assumed and assigned as of the date of the Closing of the Sale, subject to the consent of the Purchaser, pending a resolution of the Cure Objection after notice and a hearing. If a Cure Objection is not resolved to the satisfaction of the Purchaser, the Purchaser may determine that such Purchased Contract should be rejected and not assigned, in which case neither the Purchaser nor the Debtors will be responsible for any Cure Costs in respect of such contract. For the avoidance of doubt, the agreement of the Purchaser to assume any Cure Costs shall not relieve the Debtors from their liability for such Cure Costs.

39. Preserved Cure and Adequate Assurance Objections. Nothing in this Sale Order or the Purchase Agreement shall be deemed to adjudicate any issues with respect to the assumption and assignment, including, but not limited to, issues of cure and adequate assurance of future performance, of all executory contracts and unexpired leases related to objections that are listed on the *Notice of Agenda of Matters Scheduled for Hearing on September 5, 2019 at 2:00 p.m. (ET)* [Docket No. 626], as adjourned to a future hearing before the Court ("***Cure Objections***"). All parties' assumption and assignment rights and arguments with respect such Cure Objections and related executory contracts and unexpired leases are preserved and will be heard at such future

hearing before the Court at a date and time to be agreed upon by the parties or otherwise ordered by the Court, to the extent such Cure Objections are not resolved consensually.

40. Notice of Assumption and Assignment. The Debtors have served all of the nondebtor counterparties to the Purchased Contracts, identified on the lists the Debtors have filed with the Bankruptcy Court, by first class mail, a Cure Notice that included (a) the description of the Purchased Contract, (b) the name of the counterparty to the Purchased Contract, (c) any applicable Cure Costs and (d) the deadline by which any such Purchased Contract counterparty must file a Cure Objection to the proposed assumption and assignment. No other or further notice is required. *See* Docket No. 428 (affidavit of service of *Notice of (I) Potential Assumption and Assignment of Contracts and Unexpired Leases and (II) Cure Amounts in Connection Therewith*).

41. Objections to Assumption and Assignment. Except as provided herein, all Cure Objections have been overruled, withdrawn, waived, settled or otherwise resolved. Any Cure Objections that have not been resolved by the parties may be heard at a future hearing before the Court at a date and time to be agreed upon by the parties or otherwise ordered by the Court, to the extent such Cure Objections are not resolved consensually. The pendency of a dispute relating to a particular Purchased Contract shall not prevent or delay the assumption and assignment of any other Purchased Contract or the Closing of the Sale.

42. Any nondebtor counterparty to the Purchased Contract designated for the Debtors' assumption and assignment to the Purchaser that has not filed an objection on or before the deadline as set forth in the relevant Cure Notice shall thereafter be barred from objecting or asserting monetary or non-monetary defaults with respect to any such Purchased Contract, and

such Purchased Contract shall be deemed assumed by the Debtors and assigned to the Purchaser on the Closing Date.

43. Direction to Purchased Contracts Counterparties. All counterparties to the Purchased Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Purchaser, and shall not charge the Purchaser for, any instruments, applications, consents or other documents that may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale.

44. Failure to Specify Provisions. The failure specifically to include any particular provisions of the Purchase Agreement or any related agreements in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court, the Debtors and the Purchaser that the Purchase Agreement and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Sale Order. Likewise, all of the provisions of this Sale Order are nonseverable and mutually dependent.

45. Binding Order. this Sale Order and the Purchase Agreement shall be binding upon and govern the acts of all persons and entities, including without limitation, the Debtors and the Purchaser, their respective successors and permitted assigns, including, without limitation, any chapter 11 trustee hereinafter appointed for the Debtors' estates or any trustee appointed in a chapter 7 case if this case is converted from chapter 11, all creditors of any Debtor (whether known or unknown), all nondebtor parties to any Purchased Contracts, filing agents, filing officers, title agents, recording agencies, governmental departments, secretaries of state, federal, state, county, and local officials and all other persons and entities who may be required by operation of law, the duties of their office or contract to accept, file, register or otherwise record or release any

documents or instruments or who may be required to report or insure any title in or to the Purchased Assets. The Purchase Agreement and Sale shall not be subject to rejection or avoidance under any circumstances. This Sale Order and the Purchase Agreement shall inure to the benefit of the Debtors, their estates, their creditors, the Purchaser, and their respective successors and assigns.

46. No Stay of Order. Notwithstanding Bankruptcy Rules 6004 and 6006, this Sale Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. Time is of the essence in closing the Sale referenced herein, and the Debtors and the Purchaser intend to close the Sale as soon as practicable. Any party objecting to this Sale Order must exercise due diligence in filing an appeal, pursuing a stay and obtaining a stay prior to the Closing or risk its appeal being foreclosed as moot.

47. Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction to: (a) interpret, implement and enforce the terms and provisions of this Sale Order and the Purchase Agreement, including all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith, in all respects; and (b) to decide any disputes concerning this Sale Order and the Purchase Agreement, or the rights and duties of the parties hereunder or thereunder or any issues relating to the Purchase Agreement and this Sale Order including, but not limited to, the interpretation of the terms, conditions and provisions hereof and thereof, the status, nature and extent of the Purchased Assets and any Purchased Contracts and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning (i) the transfer of the Purchased Assets free and clear of all Liens (other than Permitted Encumbrances and Assumed Liabilities) and (ii) the absolute conveyance of the Assumed Liabilities and Purchased Contracts.

48. Governing Terms. To the extent this Sale Order is inconsistent with any prior order or pleading in these chapter 11 cases, the terms of this Sale Order shall govern. To the extent there is any inconsistency between the terms of this Sale Order and the terms of the Purchase Agreement (including all ancillary documents executed in connection therewith), the terms of this Sale Order shall govern.

49. Sale Proceeds. Notwithstanding anything to the contrary herein or in the Purchase Agreement, nothing in this Sale Order authorizes the Debtors to distribute proceeds of the Sale.

Dated: October 2nd, 2019
Wilmington, Delaware

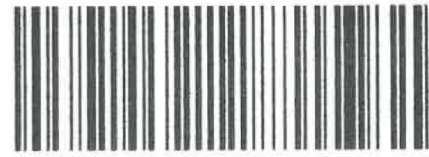
US 6579664



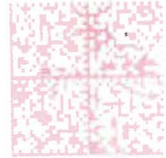
KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

616903

CERTIFIED MAIL



7016 1970 0001 0935 3790



U.S. POSTAGE
ZIP 82718
02-4W
00033554

CLOUD PEAK ENERGY RESOURCES LLC
748 T7 Road (82716)
PO Box 3001
Gillette, WY 82717-3001
T+1 307-687-6000

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PO Box 3001
Gillette, WY 82717-3001
T+1 307-687-6000

RECEIVED
OCT 3 02-19
DNMS

POSTAGE
REQUESTED

FIRST CLASS

X

U.S. Nuclear Regulatory Com, Region
1600 Lamar BLVD
Arlington Tx 76011

Postmark: OCT 2 2019

Attention: Michelle Simmons

616903



ACKNOWLEDGEMENT - RECEIPT OF CORRESPONDENCE

Name and Address of Applicant and/or Licensee

Mr. Darryl Maunder
Director of Environmental and Regulatory Affairs
Cordero Mining, LLC
P.O. Box 1449
Gillette, WY 82717-1449

Date

11/05/2019

License Number(s)

49-29429-01

Mail Control Number(s)

616903

Licensing and/or Technical Reviewer or Branch

C. Hill

This is to acknowledge receipt of your: ☒ Letter and/or ☐ Application Dated: 10/17/2019

The initial processing, which included an administrative review, has been performed.

☒ Amendment ☐ Termination ☐ New License ☐ Renewal

☐ There were no administrative omissions identified during our initial review.

☐ This is to acknowledge receipt of your application for renewal of the material(s) license identified above. Your application is deemed timely filed, and accordingly, the license will not expire until final action has been taken by this office.

☐ Your application for a new NRC license did not include your taxpayer identification number. Please complete and submit NRC Form 531, Request for Taxpayer Identification Number, located at the following link: <http://www.nrc.gov/reading-rm/doc-collections/forms/nrc531.pdf>
Follow the instructions on the form for submission.

☐ The following administrative omissions have been identified:

Your application has been assigned the above listed MAIL CONTROL NUMBER. When calling to inquire about this action, please refer to this control number. Your application has been forwarded to a technical reviewer. Please note that the technical review, which is normally completed within 180 days for a renewal application (90 days for all other requests), may identify additional omissions or require additional information. If you have any questions concerning the processing of your application, our contact information is listed below:

Region IV
U. S. Nuclear Regulatory Commission
DNMS/NMSB - B
1600 E. Lamar Boulevard
Arlington, TX 76011-4511
(817) 200-1103 or (817) 200-1140

BETWEEN:

Accounts Receivable/Payable
and
Regional Licensing Branches

[FOR ARPB USE]
INFORMATION FROM WBL

Program Code: 03120
Status Code: Pending Amendment
Fee Category: 3P
Exp. Date: 11/30/2021
Fee Comments:
Decom Fin Assur Req: N

License Fee Worksheet - License Fee Transmittal

A. REGION

1. APPLICATION ATTACHED

Applicant/Licensee: Cordero Mining, LLC
Received Date: 10/30/2019
Docket Number: 3038475
Mail Control Number: 616903
License Number: 49-29429-01
Action Type: Change of Control

2. FEE ATTACHED

Amount: _____

Check No.: _____

3. COMMENTS

Signed: _____

Date: _____

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered / /)

1. Fee Category and Amount: _____

2. Correct Fee Paid. Application may be processed for:

Amendment: _____

Renewal: _____

License: _____

3. OTHER _____

Signed: _____

Date: _____