



First Union Rail Corporation
 One O'Hare Center
 6250 River Road, Suite 5000
 Rosemont, IL 60018-4214
 Tel 847 318-7575
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<http://www.firstunion.com/rail>

VIA UPS NEXT DAY AIR

August 18, 2000

RECORDATION NO. 21386-A FILED

AUG 17 '00 3-26 PM

TS
 SURFACE TRANSPORTATION BOARD



Mr. Vernon E. Williams
 Surface Transportation Board
 1925 K Street, N.W., Room 704
 Washington, DC 20423-0001
 Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated June 7, 2000, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 21386 on May 7, 1998.

The names and addresses of the parties to the enclosed document are:

<p>Lessor: First Union Rail Corporation One O'Hare Center 6250 River Road, Suite 5000 Rosemont, IL 60018</p>	<p>Lessee: Bad Water Line 642 South Federal Way Riverton, WY 82501</p>
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A description of the railroad equipment covered by the enclosed document is fifty-one (51) 4750 cubic foot covered hopper cars, with car numbers BDW 823360-823452, non-inclusive.

A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Bad Water Line, Lessee, covering 51 4750 cubic foot covered hopper cars, car numbers BDW 823360-823452, non-inclusive.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase-Morrison

Tiffany Chase-Morrison
 Manager of Documentation

Enclosures

(BDW005)

ASSGN. NO.: BDW005

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of June, 2000, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Bad Water Line ("Lessee"), a Wyoming corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 21, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 5 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 23, 2000 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

By: K.A. Dombrowski

Name: RICHARD F. SEYMOUR

Name: K.A. DOMBROWSKI

Title: Vice President Sales & Marketing

Title: DIRECTOR OF DOCUMENTATION Executed on this 7th day of June, 2000.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of June, 2000.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)



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SURFACE TRANSPORTATION BOARD

LESSEE:

BAD WATER LINE

By: Clifford D Root

Name: CLIFFORD D ROOT

Title: PRESIDENT

ATTEST:

By: Marvin L. Leonhardt

Name: Marvin L. Leonhardt

Title: Secretary/Treasurer Executed on this 30th day of May, 2000.

[CORPORATE SEAL]

STATE OF Wyoming

COUNTY OF Fremont

I, Jacqueline Hughes, a Notary Public of the County and State aforesaid, certify that Clifford D. Root personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of May, 2000.

Jacqueline Hughes
Notary Public

Commission Expires:
June 26, 2001
(Notary Public)

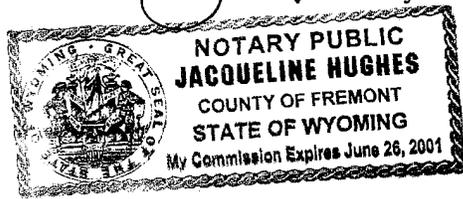


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-one (51)

DESCRIPTION OF CARS: 4750 cubic foot, 100-ton Covered Hopper cars equipped with trough hatches, gravity gates and vibrator brackets, loading to 263,000 pounds.

CAR NUMBERS:

BDW 823360	BDW 823379	BDW 823401	BDW 823429
BDW 823361	BDW 823381	BDW 823402	BDW 823432
BDW 823363	BDW 823384	BDW 823404	BDW 823434
BDW 823364	BDW 823386	BDW 823407	BDW 823435
BDW 823366	BDW 823387	BDW 823409	BDW 823437
BDW 823367	BDW 823388	BDW 823410	BDW 823438
BDW 823368	BDW 823389	BDW 823413	BDW 823443
BDW 823370	BDW 823391	BDW 823417	BDW 823445
BDW 823371	BDW 823393	BDW 823419	BDW 823447
BDW 823372	BDW 823394	BDW 823422	BDW 823449
BDW 823374	BDW 823395	BDW 823425	BDW 823451
BDW 823376	BDW 823396	BDW 823427	BDW 823452
BDW 823378	BDW 823399	BDW 823428	

Count: 51