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Articles of Conversion—Business Entities

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327
FilingInOregon.com

FILED

OCT 21 2009

**OREGON
SECRETARY OF STATE**

REGISTRY NUMBER: 069304-16

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public record.
We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in **Black Ink**.

1) **NAME OF BUSINESS ENTITY PRIOR TO CONVERSION**

Western Minerals, Inc.

2) **TYPE OF BUSINESS ENTITY PRIOR TO CONVERSION**

an Oregon Corporation

3) **NAME OF BUSINESS ENTITY AFTER CONVERSION**

Western Minerals LLC

4) **TYPE OF BUSINESS ENTITY AFTER CONVERSION**

an Oregon Limited Liability Company

5) **A COPY OF THE PLAN OF CONVERSION IS ATTACHED.**

6) **PROVIDE ADDITIONAL INFORMATION REQUIRED FOR NEW ENTITY TYPE**

The Sole Member of the Business Entity after conversion is NERCO Coal LLC, with a business address of
505 South Gillette Avenue, Caller Box 3009, Gillette, Wyoming 82717-3009.

The term of the Business Entity after conversion shall commence upon filing of these Articles of
Conversion and shall continue for ninety-nine (99) years unless it shall be terminated earlier.

7) **EXECUTION**

Signature

Printed Name

SHANNON S. CROMPTON

Title

Secretary

8) **CONTACT NAME** (To resolve questions with this filing.)

Shannon S. Crompton

DAYTIME PHONE NUMBER (Include area code.)

801-583-6707

FEES

Required Processing Fee \$50
Confirmation Copy (Optional) \$5
Processing Fees are nonrefundable.

Please make check payable to
"Corporation Division."

NOTE:

Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

WESTERN MINERALS LLC



6930416-11366120

CNV

WESTERN MINERALS, INC.

PLAN OF CONVERSION

THIS PLAN OF CONVERSION (the "Plan") shall become effective upon filing of Articles of Conversion with the Oregon Secretary of State (the "Effective Time") and provides for the conversion of Western Minerals, Inc. (the "Converting Corporation") from an Oregon corporation to an Oregon limited liability company to be known as Western Minerals LLC (the "Company") pursuant to the provisions of Section 60.472 of the OREGON REVISED STATUTES and in accordance with the Plan (the "Conversion").

RECITALS

WHEREAS the Converting Corporation is a corporation duly organized and existing under the laws of the State of Oregon and is a wholly owned subsidiary of NERCO Coal LLC, a Delaware limited liability company (the "Sole Shareholder"); and

WHEREAS the Board of Directors of the Converting Corporation has adopted, and the Sole Shareholder has approved, the Plan;

NOW, THEREFORE, the Converting Corporation shall be converted and reorganized as a limited liability company upon the following terms and conditions:

PLAN

1. **Name.** The name of the limited liability company into which the Converting Corporation will be converted is Western Minerals LLC.

2. **Conversion of Shares.** At the Effective Time and by virtue of the filing of Articles of Conversion (with a copy of the Plan attached thereto) with the office of the Oregon Secretary of State in accordance with Section 60.476 of the OREGON REVISED STATUTES, and

without any further action, all issued and outstanding shares of the Converting Corporation's common stock registered in the name of the Sole Shareholder shall be converted into 100 units of membership interest in Western Minerals LLC (as more fully detailed in the proposed Limited Liability Company Agreement of the Company) and registered in the name of NERCO Coal LLC, as the Company's Sole Member, and such shares of Western Minerals, Inc. common stock shall cease to exist.

3. Effective Time. The Conversion shall become effective upon filing of Articles of Conversion with the Oregon Secretary of State (the "Effective Time").

4. Management. At the Effective Time, each Director of the Converting Corporation shall become a Manager of the Company (each such Manager to be referred to individually as a Director, and the Directors, collectively, to be referred to as the Board of Directors), and management of the Company shall be vested in such Board of Directors.

5. Officers. At the Effective Time, the duly appointed Officers of the Converting Corporation shall become duly appointed Officers of the Company.

6. Effect of Conversion.

(i) At the Effective Time, all of the rights, privileges, obligations, liabilities and duties of the Converting Corporation; all property of the Converting Corporation, whether real, personal or mixed; all debts of whatever nature owed to the Converting Corporation; and all other things and causes of action of the Converting Corporation shall be vested in the Company and thereafter attach to the company without further notice or action.

(ii) The Converting Corporation shall not be required to wind up its affairs, pay its liabilities or distribute its assets. The Conversion shall constitute a continuation of the existence of the Converting Corporation in the form of the Company.

(iii) The Converting Corporation and the Company shall be the same entity.

069304-16

SIGNED AND DATED this 12th day of October 2009 to become effective as of
the Effective Date.

WESTERN MINERALS, INC., an Oregon
corporation



By: _____
SHANNON S. CROMPTON
Its: Secretary