



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JK

September 30, 2008

TO: John R. Baza, Director *JB noted.*

THRU: *D* Dana Dean, Associate Director, Mining
Daron R. Haddock, Permit Supervisor *DRH*

FROM: Angela Nance, Engineering Technician *AN*

RE: Coal Bond Status Report as of September 30, 2008

Attached is a copy of the current active coal bond status report. Presently, the coal program has a total of \$59,145,191 in various forms of reclamation bonds.

| | | | |
|-------------------------------|------|-------------------|-------|
| Corporate Sureties | (39) | \$52,093,191 | > 85% |
| Irrevocable Letters of Credit | (2) | \$ 3,003,000 | > 4% |
| Government Securities | (4) | \$ 3,604,000 | > 9% |
| Real Property | (1) | \$ <u>445,000</u> | > 2% |
| | | \$59,145,191 | |

Forfeiture sites reclaimed: White Oak Mine (November 1, 2005)/White Oak Loadout (November 4, 2005), Blazon (October 4, 2000), Sunnyside Mine (July 1, 1999), Summit #1 (November 20, 1997), Boyer Mine (April 17, 1997), and Black Jack #1 Mine (November 1992).

Five mines have received final bond release: J.B. King Mine (March 24, 2000), Trail Canyon Mine (December 28, 2000), Knight Mine (April 21, 1998), Gordon Creek #3 & #6 Mine, and Huntington #4 Mine (both on May 22, 1998).

Attachment

cc: Price Field Office

O:\Quarterly Reports\Third Quarter 2008\coalbondingthirdqtr2008.doc

As of: September 30, 2008

COAL BONDS

| NAME Of Project Permit Number | Disturbed Surface Acres | Present Bond Amount (Year Dollars) | Type of Bond Posted | Principal Holder* (Best's Rating) 2007 | Year Date Posted (Ridered) | Cost per Acre | Comments |
|--|-------------------------------|--|------------------------|---|----------------------------------|------------------|---|
| Castle Gate Holding Company Castle Gate Mine C/007/004 | 63 | \$490,100 (2009) | Surety | Travelers Casualty & Surety Co. #104329369 (A+) | 7/30/04 (3/20/2006) | \$7,779 | Increased to \$4,415,505 on 10/3/94; Reclamation Agreement Submitted 1/95. Ridered 2/6/96. Phase I Bond Release of \$400,775 on 1/31/97. Ridered 9/9/97 from \$6,757,451. Ridered to Castle Gate Holding Company, permit transferred on 9/13/98. Three replacement bonds submitted and accepted on 7/1/99, (\$601,333 Each, \$1,804,000 total). Ridered on 4/10/01 to \$1,071,000 for Phase II bond release at Hardscrabble and Sowbelly. Approved Phase II Bond Release on 6/5/03 in the amount of \$390,846 - \$680,154 remaining Ridered on 7/8/03. The three bonds with St. Paul Fire and Insurance, Travelers and Insurance Company of the State of PA were released, effective July 30, 2004 -- replaced with one Travelers bond in the amount of \$680,154. Reduced to \$490,100 on March 20, 2006 Phase I bond release for Sowbelly and Hardscrabble substations and Adit #1. |
| Canyon Fuel Co, LLC Skyline Mine C/007/005 | 74.31 | \$5,137,000 (2009) | Surety | St. Paul Fire & Marine Ins. Co 400SA1919 (A+) | 05/18/00 (9/19/06) | \$69,129 | Original Bond Amount - \$1,850,500 (6/20/89); Bonds replaced 7/30/90; Rider added 3/15/90; Rider added 6/9/92; Transferred from Costal Energy to Canyon Fuel Co. LLC on 12/20/96. \$6,140,000 agreed on 6/23/97, to be posted by 7/28/97. Conference held. Bond re-adjusted to \$5,076,000 (2001), and posted 10/23/97. Replaced surety 6/1/98, new parent ARCH Western Resources. Replaced surety 5/18/00. Liberty Mutual released on 5/8/01. Cost revised to \$4,697,000 in 2004 dollars on 4/03. Costs reviewed as part of midterm in 2006. Bond ridered and accepted from \$5,076,000 to \$5,137,000 on 9/19/2006. |

As of: September 30, 2008

COAL BONDS

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|---|-------------------------------|--|------------------------------------|---|----------------------------------|------------------|---|
| Plateau Mining Corp. Star Point Mine C/007/006 | 113.34 | \$3,118,400 (2004) | Surety | Travelers Casualty & Surety Ins. Co. #104329368 (A+) | 07/01/99 11/10/04 | \$27,513 | Reclamation Agreement Signed 11/2/90; Ridered "termination" language 9/91; Increased to \$5,180,000 (1996) on 4/27/94. Increased to \$10,581,000 on 9/24/98. Three replacement bonds submitted and accepted on 7/1/99, (\$3,527,000 each, \$10,581,000 total). Temporary cessation effective on 2/1/00. Permanent resignation on 6/5/03. Reclamation Agreement resigned on 6/5/03. Star Point Waste Fuel permitted on 11/14/03. Bond reduced to \$7,796,000 (\$2,875,000 reduction) on 12/4/03, ridered on 1/12/04. The three bonds with St. Paul Fire and Insurance, Travelers and Insurance Company of the State of PA were released, effective July 30, 2004 - replaced with one Travelers bond in the amount of \$7,796,000. Phase I bond release was approved effective 10/21/2004. The bond was reduced from \$7,796,000 to \$3,118,400 on November 10, 2004. |
| Hiawatha Coal Company Hiawatha Mine Complex C/007/011 | 290 | \$2,838,000 (2002) | Irrevocable Letter of Credit | JPMorgan Chase Bank 00336179 | 12/12/97 | \$9,786 | Permit transferred from U.S. Fuel Company to Hiawatha Coal Company on 12/12/97. ILOC evergreen clause added 4/23/03. Will cancel ILOC on 2/19/08. Advised must replace or will forfeit. Will post \$3.7 million dollars by 2/19/08. Received extension until 4/17/08. Advised must replace by 3/17/08 or will forfeit. Received second extension until 5/15/08. Advised must replace by 4/15/08 or will forfeit. Received extension until 7/15/08. Received extension until 9/15/08. Must be replaced by 8/15/08 or will forfeit. Will post \$3.7 million dollars. Additional bond amount renegotiated - determined \$167,000 would suffice for the increase. Purchased Treasury Securities (Bank of Utah is the Escrow Agent) and signed agreement on 7/3/08. Received extension for LOC. Extended until 12/15/08. Must be replaced by 11/15/08. |
| | | \$167,000 | Collateral | Bank of Utah Treasury Securities | 7/03/08 | | |

As of: September 30, 2008

COAL BONDS

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|---|-------------------------------|--|------------------------|--|--|------------------|---|
| NEICO Wellington Prep. Plant C/007/012 | 392 | \$4,904,000 (1999) | Surety | Fidelity and Deposit Co. of Maryland #4013097 (A) | 01/12/2000 | \$12,510 | Permit Transfer to Genwal 10/10/89; Permit Transfer to Castle Valley Resources 12/5/91; Rider added 5/27/93 Transferred to NEICO 4/18/94. Bond ridered 3/29/94 & 9/09/94 from \$3,279,000. Ridered to \$6,036,000 on 9/18/95. Ridered to \$4,904,000 (Division approved bond amount change on 2/18/98.) Safeco bond (#5612988) replaced on 1/12/2000. Reclamation cost will be revised at renewal in 2004. Reclamation Agreement signed again on 5/26/03. Costs will be revised as part of the midterm in 2007. |
| UtahAmerican Energy, Inc. Horse Canyon Mine C/007/013 | 102.37 | \$1,061,328 (2003) | Surety | Lincoln General Insurance Company # SUR004892 (B+) | 09/18/98 (1/4/01) (7/23/02) 7/20/01 | \$26,837 | IPA Acquired Horse Canyon Mine 4/5/90; Permit issued 5/6/91; Bond increased 5/3/91. Phase I Bond release on 2/5/97 in the amount of \$812,276, and revised on 2/19/97. Permit transferred from IPA to UtahAmerican Energy, Inc. on 12/22/98. ILOC released 1/5/99. Increased to \$1,253,000 for permit renewal. \$1,556,000 issued for Lila Canyon addition (total = \$2,809,000). Phase II released \$191,672 on 4/11/02. \$130,000 additional bond was added for the Lila Canyon addition (total of \$2,747,328; \$1,686,000 for Lila and \$1,061,328 for Horse Canyon). As of 9/30/08 Lincoln General has rating of B+ must be an A- or greater. Notify operator has 120 days to achieve compliance. |
| Mountain Coal Co. Gordon Creek #2, 7 & 8 C/007/016 | 17.58 | \$641,443 (1989) | Surety | St. Paul Fire & Marine Ins. Co. #400KB056-CO (A+) | 05/17/00 | \$36,487 | \$45,000 was released. Ridered "termination" language 9/91. 1989 dollars. Mine closed 1990. Structures removed. Reclamation started 9/29/95, continued during 1996. Completed in fall 1997, but some work in spring 1998. Replaced surety on 6/1/98, new parent ARCH Western Resources, Inc. Replaced surety 5/18/00. Released Liberty Mutual on 5/8/01. Phase I bond release on 10/9/03 for \$384,865 (\$256,578 remains) No rider to date. Phase III at Sweet's Pond on 10/9/03. Phase II bond release on 2/16/07 in the amount of \$85, 578 (\$171,000 remains). |

As of: September 30, 2008

COAL BONDS

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|--|-------------------------------|--|--|--|----------------------------------|------------------|---|
| Canyon Fuel Co. LLC Soldier Canyon Mine C/007/018 | 21.82 | \$1,593,000 (2009) | Surety | St. Paul Fire & Marine Ins. Co. 400SA1918 (A+) | 05/18/00 10/13/2004 | \$73,006 | Increased from \$577,000 5/2/91; Increased in conjunction with renewal includes waste rock, not built yet. Transferred to Coastal 9/15/93. Previously \$1,940,000, 1991 dollars. (Bond posted 12/3/93). \$30,000 posted on 03/13/95 for Dugout Creek exploration. Transferred from Soldier Creek Coal Co. to Canyon Fuel Co, LLC on 12/20/96. Surety replaced 6/1/98, new parent ARCH Western Resources, Inc. Temporary cessation effective on 3/25/99. Amount currently under review as part of the midterm. Replaced Surety 5/18/00. Exhibit A corrected and Liberty Mutual released on 5/8/01. Bond reduced due to refuse pile removed, escalated for midterm to \$1,593,000 - ridered on 10/13/2004 |
| Andalex Resources Centennial Project C/007/019 | 35.27 | \$381,839 \$699,000 (2009) | Surety Surety | Utica Mutual Insurance SU34593 & SU1354086 (A-) | 5/16/83 7/3/90 (2/23/93) | \$40,511 | Ridered to increase to \$1,080,839 on 7/3/90. Amount revised to \$820,000 in 4/03. Midterm revised bond amount to \$918,000 in 2009 dollars in 9/04. |
| | | \$56,000 | Surety | Rockwood Casualty Insurance Company ISM-2296 & ISM-2297 (A) | 11/14/2006 | | Two new reclamation agreements for the gob vent holes (ISM-2296 for GVH-5B) and (ISM-2297 for GVH-8A) issued on 11/14/2006 @\$28,000 each. ISM-2301 (shaft) issued on 12/13/06 for \$65,000) and ISM-2302 (substation) issued on 12/13/2006 for \$3,000. ILOC in the amount of \$91,161 issued on 12/27/06 (expires on 8/1/09) for replacement of LOC S005519 issued by PNC on 12/3/1997. Received reclamation bonds for gob vent holes 10, 11, 12, 13, 14, 15, 16, and 17 on 4/19/07 in the amount of \$28,000 each. |
| | | \$65,000 \$3,000 | Surety Surety | ISM-2301 ISM-2302 | 12/13/2006 12/13/2006 | | |
| | | \$91,161 | Letter of Credit | S405956 | 12/27/2006 | | |
| | | \$28,000 \$28,000 \$28,000 \$28,000 \$28,000 \$28,000 \$28,000 | Surety Surety Surety Surety Surety Surety Surety | ISB-2558 ISB-2559 ISB-2560 ISB-2561 ISB-2562 ISB-2563 ISB-2564 ISB-2565 | 4/19/2007 | | |
| Hidden Splendor Resources, Inc. Horizon Mine C/007/020 | 9.5 | \$445,000 (2011 dollars) | Real Property | American Towers | 8/01/03 | \$46,842 | Permit transferred from Lodestar Energy to Hidden Splendor Resources on 7/1/03. Amended on 8/11/03 from \$342,000 to \$57,000. Real property posted on 8/11/03. Real estate was appraised on 12/20/2006 for \$625,000 (need \$445,000 in 2011 dollars). LOC will expired on 1/20/07. |

As of: September 30, 2008

COAL BONDS

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|--|-------------------------------|--|------------------------|--|----------------------------------|------------------|--|
| Savage Industries, Inc. Savage Coal Terminal C/007/022 | 122 | \$2,525,000 (2007) | Surety | Liberty Mutual Insurance Company (965-003-641) (A) | 12/09/03 | \$20,697 | Ridered "termination" language 9/91. Permit reissued 5/2/94; Bond Ridered on 9/22/94. Savage & Mtn. Coal Co., co-principals. Revised to \$2,525,000 (2001 dollars) on 9/18/97. Replaced Savage bond on 12/09/97. National Fire Insurance Co of Hartford cancelled on 12/9/02. American Manufacturer's issued on 12/9/02, had a B+ rating. Sent letter to have new bond by 5/26/03. National Fire Insurance Co bond reinstated to 12/9/02. Cost revised to \$2,232,000 in 4/03 in 2007 dollars. Bond replaced on 2/27/04 in the amount of \$2,525,000, effective 12/9/03. |
| Andalex Resources, Inc. Wildcat Loadout Facility C/007/033 | 63.7 | \$651,000 (2006) | Surety | Rockwood Casualty Insurance Company (ISM-2290) (A) | 10/26/2006 | \$17,959 | Changed from Pittsburgh National Bank in 4/92; Replaced ILOC 12/9/92. By letter dated 9/5/97, can reduce bond to \$698,000 in 2000 year dollars. Bond updated to \$651,000 in 2006 dollars in 2003. Released Continental Casualty Company bond #400776222 on 1/30/04. Notice on 8/17/06 that LOC will expire. Sent certified letter on 8/18/06 to replace by 11/1/06 or will cash out. Bond issued to replace ILOC (PNC Bank S262710PHG) (bond issued on 10/26/06 and accepted on 11/16/2006). Bond increased by \$493,000 for escalation on 7/31/07, total bond is now \$1,144,000. |
| Canyon Fuel Co, LLC Banning Siding Loadout C/007/034 | 21.6 | \$350,000 (2006) | Surety | St. Paul Fire & Marine Ins. Co. 400SA1916 (A+) | 05/18/00 | \$16,204 | Transfer to Coastal States 9/15/93. Increased from \$211,000 to \$350,000 on 12/12/95. Transferred from Soldier Creek Coal Co. to Canyon Fuel Co. LLC on 12/20/96. Surety replaced 6/1/98, ARCH Western Resources, Inc. Temporary cessation on 3/7/00. Replaced surety 5/18/00 from Liberty Mutual Ins. Co. Exhibit A corrected and Liberty Mutual release on 5/8/01. |

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|---|-------------------------------|--|------------------------|---|----------------------------------|------------------|---|
| Sunnyside Cogeneration Associates Sunnyside Refuse & Slurry C/007/035 | 202 | \$1,775,000 (2009) | Collateral | Treasury Securities | 1/16/02 12/13/2005 | \$8,787 | Permit Issued 2/4/93; ILOC (S-09742-00018) Replaced with Surety on 4/21/94. Continuation certificate 3/30/96 - 3/30/97 for bond #35790. Bond amount increased to \$2,094,000. Per Division Order required by 10/22/96 but not posted to date. Ridered to \$1,900,000 on 12/04/96. Frontier determined insolvent on 10/15/01. Demand letter sent 11/13/01 to replace Frontier Insurance Co. by 1/16/02. Replaced on January 10, 2002 with Treasury Securities (Wells Fargo is the escrow agent.) Bond amount = \$1,720,000. This amount was increased to \$1,775,000 on December 13, 2005. |
| Plateau Mining Corp. Willow Creek Mine C/007/038 | 132.9 | \$2,175,114 (2004) | Surety | Travelers Casualty & Surety Ins. Co. #104329367 (A+) | 07/01/99 (07/20/06) | \$17,119 | Permit issued 4/23/96. Three replacement bonds submitted and accepted on 7/1/99, (\$3,983,069 each, \$11,949,205 total). Temporary cessation on 12/11/00. Ridered on 1/21/02 from \$11,949,000 to \$7,866,000 due to more detailed reclamation costs. Permanent cessation on 9/6/2002. Reclamation Agreement resigned on 6/5/03. The three bonds with St. Paul Fire and Insurance, Travelers and Insurance Company of the State of PA were released, effective July 30, 2004 - replaced with one Travelers bond in the amount of \$7,866,000. Reduced to \$7,770,600 on March 20, 2006 (Gravel Canyon Phase I bond release). Reduced to \$4,410,114 (bond release of \$3,360,489) on July 20, 2006 for phase I (overland conveyor) and phase III (mine facilities). Reduced to \$2,275,114 (bond release of \$2,135,000) on September 20, 2006 for phase I (refuse pile and Barn Canyon shaft) and phase III (prep plant). \$2,275,114 remaining. Authorized to reduce by \$100,000 as a result of removing the Barn Canyon Shaft. New amount \$2,175,114. |

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|--|-------------------------------|--|------------------------------------|--|----------------------------------|------------------|--|
| Canyon Fuel Co., LLC Dugout Canyon Mine C/007/039 | 22.65 | \$3,350,000 (2007) | Surety | St. Paul Fire & Marine Ins. Co. 400SA1917 (A+) | 05/18/00 (3/18/04) | \$105,960 | Original exploration bond posted 12/95 by St. Paul Fire & Marine Insurance Company. (Bond #JP1277). Permit issued 3/16/98. Surety replaced 6/1/98, ARCH Western Resources, Inc. Increased to \$3,682,000 on 10/13/98 for Phase II. Annual Exploration. Released exploration bond # 14-000-068-0008-UT for Dugout exploration on 6/5/00 for \$30,000. Replaced surety 5/18/00. Liberty Mutual released on 5/8/01. Bond reduced from \$3,682,000 to \$1,645,000 by letter dated September 5, 2002 due to detailed earthwork calculations. Bond ridered to \$2,400,000 on 3/18/04 with new Exhibit A. Bond ridered to \$3,300,000 on 5/09/06 with new Exhibit A. Bond ridered to \$3,350,000 on 7/31/07 with new Exhibit A. |
| West Ridge Resources, Inc. West Ridge Mine C/007/041 | 29 | \$2,117,000 (2006) | Surety | National Union Fire Insurance Co. of Pittsburgh, PA 21-60-38(A) | 03/19/99 | \$73,000 | Permit issued 4/1/99. Mining plan approval 6/30/99. |
| Sunnyside Cogeneration Association Star Point Refuse Mine C/007/042 | 88.78 | \$1,254,000 (2008 dollars) | Collateral | Treasury Securities | 11/12/03 | \$14,124 | Permit issued 11/14/03. Treasury Securities posted 11/12/03. |
| COVOL Headwaters C/007/0045 | 30 | \$165,000 | Irrevocable Letter of Credit | JP Morgan Chase #CTS-679537 | 9/23/08 | \$5,500 | |
| Consolidation Coal Co. Hidden Valley Mine C/015/007 | 6.7 | \$95,501 (2004) | Surety | Seaboard Surety #331474 (A+) | 10/13/95 (1/8/97) | \$14,254 | Original Bond Amount-\$171,515. Phase I Bond Release effective 7/17/88. Permit transferred 11/2/95 from Hidden Valley Coal Company to Consolidation Coal Company. Ridered to \$95,501 on 1/8/97. |

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|--|-------------------------------|--|------------------------|---|----------------------------------|------------------|---|
| PacifiCorp Trail Mountain Mine C/015/009 | 24.78 | \$1,254,000 (2007) | Surety | Travelers Casualty and Surety Company of America 1039089971 (A+) | 9/01/94 | \$50,605 | Federal Mine Approval Tract 1 & 2 Transfer effective 11/23/87; Federal Lease Tract approved 5/15/91; Ridered "termination" language 9/91; Ridered increased amount and disturbance on 4/28/92 (from \$463,711 and 8.8 acres). Transferred from Mountain Coal Company to PacifiCorp 11/13/92. Ridered 8/3/93 to increase amount due to increased disturbance; Replaced 9/01/94. (\$834,228 - year 1999 dollars bond estimate, found adequate on 3/15/00.) Bond amount is under review. Temporary cessation on 5/2/01. St. Paul Fire & Marine Ins. Co. #400JV3710 bond still needs to be released. Bond revised to \$1,254,000 effective 7/01/02. |
| Consolidation Coal Co. Emery Deep Mine C/015/015 | 289.6 | \$2,648,000 (2009) | Surety | Seaboard Surety #188617 (A+) | 12/1/85 (5/3/91) | \$7,624 | Temporary cessation since 1990 to 2002. Commenced work on 4 th East Portal on 6/4/2002. Bond includes mine and preparation plant area. New bond amount of \$2,212,000 approved on 12/22/03. Ridered on 12/22/04 (removed prep plant, refuse/slurry pon, more precise reclamation costs) to \$2,208,000. Amount increased to \$2,648,000 on 4/04/08. |
| PacifiCorp Des-Bee-Dove Mine C/015/017 | 23.88 | \$1,169,718 (2008) | Surety | Travelers Casualty and Surety Company of America 10377512 (A+) | 9/1/94 | \$80,319 | New Bond Submitted for PacifiCorp 12/90; Ridered "termination" language 9/91; Replaced 9/1/94. (\$1,553,638 - year 2000 dollars bond estimate.) Started reclamation in fall of 1999. St. Paul Fire & Marine Ins. Co.#400JN6139 still needs to be released. Phase I bond release (release of \$667,994) on 2/13/07. Phase III Bond Release on 4/05/07. The remaining bond amount of \$1,169,718 is sufficient to ensure reclamation success through Phase III. |

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|--|-------------------------------|--|------------------------|---|----------------------------------|------------------|--|
| PacifiCorp Deer Creek Mine C/015/018 | 95.8 | \$4,113,000 (2008) | Surety | Travelers Casualty and Surety Company of America 103908970 (A+) | 9/1/94 | \$42,993 | Waste Rock Storage Added 9/88; Original Bond Amount - \$1,224,000; New Bond Submitted for PacifiCorp 12/90; Ridered "termination" language 9/91; Increased from \$1,724,000 to include amendment changes 9/92; Disturbed Acreage increased to 93.29 acres (2/14/93); Replaced 9/1/94. Ridered for escalation 8/26/96. Increased to \$3,000,000 rider eff. 12/11/00. St. Paul Fire & Marine Ins. Co. #400JN6140 still needs to be released. Bond adjusted to \$2,458,000 in 2004 dollars on 1/15/03. Bond adjusted for Rilda Surface Facilities on 7/26/05 to \$4,113,000. |
| PacifiCorp Cottonwood/Wilberg Mine C/015/019 | 101.74 | \$3,082,587 (2005) | Surety | Travelers Casualty and Surety Company of America 1037771497 (A+) | 9/1/94 (10/22/01) | \$30,299 | Original Bond Amount-\$1,294,522 Ridered 6/7/90 for Waste Rock Site - \$1,586,008 (New Bond Submitted 11/20/90 for PacifiCorp with revised amount); Ridered "termination" language 9/91; Replaced 9/1/94. Approved amount revised to \$3,082,587 (Year 2005 dollars) per letter dated September 19, 2001, due by December 19, 2001). Received October 22, 2001. St. Paul Fire & Marine Ins. Co. #400JN6138 still needs to be released. |
| Co-Op Mining Co. Bear Canyon Mine C/015/025 | 40.46 | \$1,825,000 (2008) | Surety | Lyndon Property Insurance Co. #L06-01-C- 015-025 (A-) | 07/02/01 | \$50,137 | Automatically Renewable; Increased to \$340,282 on 1/11/94; Increased to \$487,911 on 9/1/94; Rider increased to \$507,000 on 2/17/95. Rider increased to \$525,000 on 7/31/95. Bond increased to \$899,000 on 3/1/99. Posted a surety on 7/2/01 for \$1,825,000 for Wild Horse Ridge Addition. Released ILOC with Bank One #1055 (\$899,000 on 7/11/01). Ridered "Co-Op Mining" to bond on 5/30/03. Added loadout expansion in 8/07, increased by \$362,000. Total bond is \$2,187,000 as of 8/07. LOC expired on 8/10/08. Total bond needs to be \$1,825,000, which is currently being held by surety. |

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| Genwal Resources Inc. Crandall Canyon Mine C/015/032 | 27.15 | \$1,654,000 (2007) | Surety | American Home Assurance Co. 14-96-15 (A) | 03/14/95 (6/14/97) | \$154,579 | Replaced ILOC 7/30/90 with Surety. Rider 9/21/93. Transferred to Genwal Resources Inc., on 3/22/95. SAFECO bond #4689174 replaced eff. 3/14/95. Ridered for culvert extension 06/27/97. Added drillholes, SITLA Road and escalation in 6/08, increased by \$407,275. Posted \$408,000 in U.S. Treasury Securities. |
| Canyon Fuel Company, LLC SUFCO Mine C/041/002 | 46.03 | \$4,439,000 (2009) | Surety | St. Paul Fire & Marine Ins. Co. (A+) 400SA1915 | 05/18/00 | \$96,437 | Ridered 7/23/92; Reclamation Agreement updated 2/25/93. Ridered eff. 7/27/95. Transferred from SUFCO to Canyon Fuel Company, LLC on 12/20/96. Bond amount found adequate on 6/12/97. Surety replaced 6/1/98, new parent, ARCH Western Resources, Inc. Surety replaced 5/18/00. Exhibit A corrected and Liberty Mutual released on 5/8/01. Cost revised to \$2,616,000 (2009 dollars) in 6/05. |

As of: September 30, 2008

BOND RELEASES

| NAME Of Project Permit Number | Disturbed Surface Acres | Present Bond Amount (Year Dollars) | Type of Bond Posted | Principal Holder* (Best's Rating) | Year Date Posted (Ridered) | Cost per Acre | Comments |
|---|-------------------------------|--|------------------------|--------------------------------------|----------------------------------|------------------|---|
| Sunnyside Coal Company Sunnyside Mine FOR/007/007 | | \$1,850,184 (Forfeited) (Funds spent and reclaimed as of 7/1/99) | | | | | Escrow Agreement Finalized 6/90 3/13/89 Active Status; Transferred from Kaiser Coal Co. to SCC (previously SRS) 5/26/89. C.D. issued for \$75,000 at Zions First National Bank. First Deed of Trust for Undisturbed Land and Water Rights; Agreement 8/28/89 Filed Chapter 11 on 3/25/94; DOGM Filed Bankruptcy Claim 9/1/94; to Chapter 7 on 6/23/95. Undisturbed land sold to Penta Creeks on 3/12/96. OSM/DOGM agreed on \$1,850,184 cash collateral on 1/18/96. Bond forfeiture on 11/22/96. Reclamation engineering awarded to Montgomery Watson in 7/97. All \$1,850,184 received by 7/1/97. Bids awarded 5/19/98, contract signed 6/26/98. Work started 7/6/98. Completed 7/1/99 (287.4 ac). |
| North American Equities Blazon #1 Mine FOR/007/021 | | \$48,400 (Forfeited) (Funds spent and reclaimed as of 10/14/00) | | | | | Board ordered Phase I Bond Release on 2/28/91. LOC with First Interstate Bank replaced 2/91, (#S43865); Amount reduced from \$48,400 4/30/91; Bond forfeited 5/24/91- Cashier's Check to Division; To AML on 2/9/94 per LPB. Reclamation completed 10/4/00 (4.65 ac) |
| Summit Minerals Summit #1 Mine (aka: Blackhawk Mine) FOR/043/001 | | \$95,000 (Forfeited) (Funds spent and reclaimed as of 11/20/97) | | | | | Not active coal mine, exploration only. Permit revoked 8/4/89. Bond Forfeiture on 6/13/89. AML Reclamation complete 11/20/97. Real estate sold on 2/12/99 for \$95,000. |
| Summit Coal Company Boyer Mine FOR/043/008 | | \$101,512 (Forfeited) (Funds spent and reclaimed as of 4/17/97) | | | | | Forfeited on 1/26/89. Collateral Bond sold. Field evaluation by Title V- draft of evaluation and cost accounting of bond forfeiture to Lowell Braxton on 10/20/95. Complete reclamation on 4/17/97 (7 ac). |
| New Tech Mining Corp Black Jack #1 Mine FOR/019/004 | | \$50,000 (Forfeited) (Funds spent and reclaimed as of 11/92) | | | | | Coal Exploration. Permit bond forfeited. Reclaimed 11/92. |

*All of the bonding companies, (except Frontier Insurance Co.) are listed in the Federal Register, July 1, 2004, the Department of Treasury, Circular 570 listing of Surety Companies acceptable on Federal Bonds; all sureties were checked on March 31, 2006 for verification on the Department of Treasury Listing and the A. M. Best's Key Rating Guide most recent rating.

*Frontier Insurance Co. was delisted, effective June 1, 2000 from Circular 570.

As of: September 30, 2008

BOND RELEASES

| NAME OF Project Permit Number | Disturbed Surface Acres | Present Bond Amount (Year Dollars) | Type of Bond Posted | Principal Holder* (Best's Rating) | Year Date Posted (Ridered) | Cost per Acre | Comments |
|--|-------------------------------|--|------------------------|--------------------------------------|----------------------------------|------------------|--|
| Mountain Coal Co. Gordon Creek #3 & #6 REL/007/017 | | | | | | | Original Bond Amount \$346,000. 1986 dollars; Phase I-Bond Release Effective 6/26/87 Ridered 7/13/87. Phase II Bond Release (rider eff as of 2/13/95) \$85,429. Phase III bond release approved 5/22/98. (Release of \$52,971.) |
| Cyprus Plateau Mining Corp. Blackhawk Exploration Site REL/007/038 | | | | | | | Exploration project ridered more disturbance. Permit terminated 5/17/96. Aetna merged with Travelers on 07/01/97. Released on 12/3/98 (55,000, 3.1 acres) |
| Western States Minerals J.B. King Mine REL/015/002 | | | | | | | Original Bond Amount-\$262,577. Phase I Bond Release (effective 5/20/86) Ridered-4/28/86. Conditional phase II and phase III bond release on 2/29/00. Final bond release on 3/24/00. (126,078) Seaboard surety # 104570.) |
| Mountain Coal Co. Huntington #4 Mine REL/015/004 | | | | | | | Original Bond Amount-\$360,102; (Phase I-60% bond release effective-11/10/88 ridered- (12/31/86). Ridered A termination language 9/91. Phase II Bond release effective when sed pond removed 3/20/95. Removed. Ridered 1/31/96. Phase III Bond Release pending removal of perimeter markers. Approved 5/22/98. (Released \$46,734.) |
| Co-Op Mining Co. Trail Canyon Mine REL/015/021 | | | | | | | Automatically Renewable; Phase I Bond Release - approved 7/18/94 for \$120,000. Phase II release approved 1/31/96; ridered 4/24/96. Phase III bond release, conditional approval on 12/22/00, released \$30,000 (10 ac). |
| BHP Petroleum (Americas) Knight Mine REL/041/005 | | | | | | | Federal Insurance Company Surety replaced 9/16/90. Phase I Bond Release on 11/08/94 of \$480,000. Replaced with ILOC on 1/30/96. Final Bond Release on 4/21/98. (Released \$320,000.) |
| DTE C/007/0046 | 18.39 | \$101,000 | Surety | Safeco Insurance Co. #6512059 | 12/20/07 | \$5,492 | Settlement Agreement signed on 10/30/07. Shut down on 12/21/2007. Will reclaim. Reclamation responsibilities of DTE have been met as of 5/4/08. Full release of bond in the amount of \$101,000 as of 6/03/08. |

OTHER BONDS

| NAME of Project Permit Number | Disturbed Surface Acres | Present Bond Amount (Year Dollars) | Type of Bond Posted | Principal Holder* (Best's Rating) | Year Date Posted (Ridered) | Cost per Acre | Comments |
|---|-------------------------------|---|------------------------|---|----------------------------------|------------------------|--|
| Trustee - Bill Bishop Chapter 7 Bankruptcy Lodestar Energy, Inc. White Oak Mine No. 1 & No. 2 C/007/001 | 140.2 | \$3,832,000 (2007) {Bond amount \$4,292,000 on bond.} | Surety | Frontier Insurance Company #143715 (E) | 07/09/99 | \$27,333 (\$30,613) | Transferred from Valley Camp 5/27/94. (Disturbance in mine site, office & loadout.) JWC letter of 6/19/95 will reduce bond to \$ 3,398,000 (1999 dollars). Replaced 7/27/98. Bond amount increased to \$ 4,292,000 for permit renewal, due 8/24/99. Permit transferred from White Oak Mining and Construction on 7/14/99. Will replace Frontier Insurance Co. Requested for more time on 1/22/01. Bond re- evaluated from \$4,292,000 to \$3,832,000 on 10/5/01. Sent request to replace surety due to new rules on 10/5/01, must replace by 2/9/02. Frontier declared "in rehabilitation" on 10/15/01, not on Utah Insurance list.. Demand letter sent on 11/7/01, must replace by 1/7/02 or reclaim. Hearing held in Kentucky on 1/3/02. Judge ruled and barred Division from issuing a CO until 1/24/02. Agreement signed with Bankruptcy Court, Lodestar and Division on 2/25/02. CO issued 3/12/03 for no bond. Cost estimated at \$3,814,566 in 4/03 in 2007 dollars. Lodestar filed Chapter 11 on 3/30/01. Determination to forfeit on 5/1/2003. Filed Chapter 7 on 7/15/03. Worked with Bankruptcy Trustee and Frontier Insurance to stabilize site - \$999,000 from Frontier to escrow on 10/3/2003. Work started on 10/13/2003, Ledcor pulled out for the winter on December 17, 2003. On August 18, 2004, Lodestar trustee, Bill, Bishop, filed the master settlement between various parties (including Renco and Wexford and Congress and the Debtors Trustee) for reclamation in a "General Settlement Fund" outside of the Lodestar bankruptcy estate. Utah received \$1.217 million dollars as part of this Settlement Agreement. The contract with Frontier contractor, Ledcor, was terminated by the Division on September 8, 2004. VCM contractors were awarded the contract for reclamation at the Whiskey Creek Mine (aka White Oak Mine). Reclamation work started on October 4, 2004 and left site on November 4, 2004. VCM returned to work on June 13, 2005 and completed reclamation on November 1, 2005. The loadout reclamation was completed on November 4, 2005. AMR administered reclamation work at this site. Weed control being done - 2006, 2007 and 2008. |

OTHER BONDS

| NAME of Project Permit Number | Disturbed Surface Acres | Present Bond Amount (Year Dollars) | Type of Bond Posted | Principal Holder* (Best's Rating) | Year Date Posted (Ridered) | Cost per Acre | Comments |
|--|-------------------------------|---|------------------------|---|----------------------------------|-------------------------|---|
| Lodestar Energy, Inc. Horizon Mine C/007/020 | 9.5 | \$342,000 (2006) {Bond amount \$711,000 on bond.} | Surety | Frontier Insurance Company #143714 (E) | 07/09/99 | \$36,000 (\$74,842.) | Permit issued 10/10/96. Permit transfer pending to K&K Holding Company. Permit transferred 7/11/97. (Bond #400JU4131 replaced. St. Paul Fire & Maine replaced 7/11/97. Ridered to change to Horizon Mining, LLC on 10/30/97. Replaced 7/27/98. Midterm commenced 3/11/99, ordered to increase bond to \$711,000 by 7/12/99. Permit transferred on 7/14/99 from Horizon Mining, LLC to Lodestar Energy, Inc. Will replace Frontier Insurance Co. as Surety. Time extension requested on 1/22/01. Ridered to include OSM on 5/7/01. Letter sent on 9/26/2001 to decrease bond to \$342,000 (Year 2006 dollars). Sent letter that must replace surety due to new rules on 10/5/01, due 2/9/02. Frontier determined "in rehabilitation" on 10/15/01, not on Utah insurance list. Demand letter sent on 11/13/01 to replace bond by 1/7/02. Hearing in Ky. On 1/3/02, Division barred from action until 1/24/05. CO issued on 3/12/03 for no bond. Horizon Mine permit transferred to Hidden Splendor Resources on 7/1/03. |