



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

0013

September 24, 1991

Ms. Karen Kemp
Chubb Group Inc.
2200 One First Union Center
301 South College Street
Charlotte NC 28202-6027

Dear Ms. Kemp:

Re: Rider to Bond #8099-56-50, Valley Camp of Utah, Belina Mine, ACT/007/001,
Folder #4, Carbon County, Utah

This letter is a follow up to our phone conversation of September 24, 1991, wherein we discussed removing the OSM signature block from the above referenced rider.

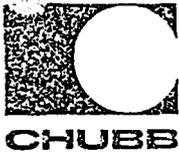
At the present time the Utah Division of Oil, Gas and Mining has a cooperative agreement with OSM which gives us primacy in administering coal mining programs in the State. To require OSM's signature in the Rider would be redundant and would not recognize the States primacy. We therefore, must take exception to the OSM signature requirement and request that it be removed. In the event the Cooperative Agreement is terminated the bond would revert to OSM regardless of whether or not they had signed the rider. The signature of the beneficiary is not necessary for them to reap the benefits.

Other than the signature requirements, the Division is satisfied with the rider. If you have any concerns or problems with our request to remove the OSM signature requirement please call me at (801) 538-5340.

Sincerely,

Daron R. Haddock
Permit Supervisor

Enclosure
cc: L. Braxton
BONDRIDE.DRH



CHUBB GROUP OF INSURANCE COMPANIES

2200 One First Union Center, 301 South College Street, Charlotte, NC 28202-6027
Phone: (704) 372-1230 • Facsimile: (704) 342-2750

FEDERAL INSURANCE COMPANY

RIDER to be attached to and form a part of Valley Camp of Utah, Inc. Bond #8099-56-50 wherein Valley Camp of Utah, Inc. is named as Principal and FEDERAL INSURANCE COMPANY as Surety, in favor of State of Utah, Division of Oil, Gas and Mining (hereinafter, DIVISION) and the United States Department of the Interior, Office of Surface Mining (hereinafter, OSM) as Obligees in the amount of \$2,300,000 executed 2/09/81 and covering Belina Mine Complex, Permit #UT-0013 and UT-0049.

IT IS HEREBY UNDERSTOOD AND AGREED THAT effective the 12th day of September 1991 the following wording is made part of said bond:

In the event the Cooperative Agreement between DIVISION and OSM is terminated then the portion of the bond covering Federal Lands will be payable only to OSM.

Provided however that "the portion of the bond covering Federal Lands" shall mean the portion of the bond penalty that DIVISION has determined applies to distributed areas located in Federal Lands as set forth in the Mining and Reclamation Plan which had been most recently accepted by both DIVISION and OSM at the time the Cooperative Agreement is terminated.

It is further provided, principal and surety shall not be liable to all obligees in the aggregate in excess of the penal sum of this bond and,

Further provided, this rider shall be invalid unless signed and accepted by both DIVISION and OSM.

The Principal hereby binds itself, its successors and assigns as Principal and FEDERAL INSURANCE COMPANY hereby binds itself, its successors and assigns, as Surety, in accordance with the terms, provisions and conditions of said bond as so amended.

IN WITNESS WHEREOF, the said Principal and Surety have caused this Rider to be duly signed and their respective seals to be hereunto affixed this 12th day of September 1991.

Valley Camp of Utah, Inc.

By: WALTER L WRIGHT

President & Chief Operating Officer
(please print name and title)

FEDERAL INSURANCE COMPANY

By: Karen R. Kemp
Karen R. Kemp
Attorney-in-Fact

ACCEPTED:

State of Utah, Division of Oil, Gas and Mining

By: _____

(please print name and title)

ACCEPTED:

United States Department of the Interior,
Office of Surface Mining

By: _____

(please print name and title)

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, an Indiana Corporation, has constituted and appointed, and does hereby constitute and appoint William G. Moody, III, Walter R. Trippe, Karen R. Kemp, and Michele L. Yount of Charlotte, North Carolina-----

each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds or obligations (other than Bail Bonds) given or executed in the course of its business, and any instruments amending or altering the same, and consents to the modification or alteration of any instruments referred to in said bonds or obligations.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Vice President and Assistant Secretary and its corporate seal to be hereto affixed this 16th day of August 1991

Corporate Seal
Richard D. O'Connor
Assistant Secretary

FEDERAL INSURANCE COMPANY
By James D. Dixon
Vice President

STATE OF NEW JERSEY
County of Somerset } ss.

On this 16th day of August 1991, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with James D. Dixon and knows him to be the Vice President of said Company, and that the signature of said James D. Dixon subscribed to said Power of Attorney is in the genuine handwriting of said James D. Dixon and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal
STATE OF NEW JERSEY
County of Somerset } ss.

Acknowledged and Sworn to before me on the date above written.
Notary Public, State of New Jersey
Commission Expires October 2, 1994

CERTIFICATION

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 2, 1990 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice Chairman or the President or a Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, Vice Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 12th day of September 1991

Corporate Seal
Assistant Secretary