

VALLEY CAMP OF UTAH, INC.

Scofield Route
Helper, Utah 84526

May 3, 1994

File ACT/007/001
#3
Copy Aaron: Jbe
RECEIVED
MAY 9 1994
DIVISION OF
OIL GAS & MINING

VIA FACSIMILE (801) 359-3940

James M. Carter
Director
Utah Division of Oil, Gas & Mining
Three Triad Center, Suite 350
Salt Lake City, UT 84180-1203

**Re: Renewal of Belina Mine Complex;
Permit No. ACT/007/001**

Dear Director Carter:

On behalf of Valley Camp of Utah, Inc. ("VC"), we respectfully request an extension of time in which to submit an application for renewal of Permit No. AT/007/001, pending approval of permit transfer to White Oak Mining & Construction Company, Inc. ("White Oak"). Pursuant to R645-303-232.100, an application for renewal of a permit should be filed with the Division at least 120 days prior to expiration. An application for approval of transfer, assignment or sale of Permit No. ACT/007/001 was submitted to the Division on September 27, 1993 to transfer the permit from VC to White Oak. The Division has approved this transfer application conditioned upon approval of a new reclamation bond. White Oak has submitted a new reclamation agreement and performance bond for approval by the Division and federal Office of Surface Mining. This approval is imminent. VC requests that the Division extend the time period for application for renewal of the permit for at least 30 days following transfer of the permit to White Oak.

In the alternative, we request the Division to find the information provided by White Oak under the application for approval of transfer, assignment or sale of Permit No. ACT/007/001 responsive to the regulatory requirements for permit renewal. White Oak has provided evidence that a liability insurance policy is in effect for the proposed period of renewal (R645-303-232.220); in addition, White Oak has provided evidence that its new performance bond will continue in full force and effect for another five year permit term (R645-303-232.230). Finally, a copy of the proposed newspaper notice and proof of publication regarding the transfer from VC to White Oak has been provided pursuant to the requirements of Utah Admin. Rule R645-303-300.

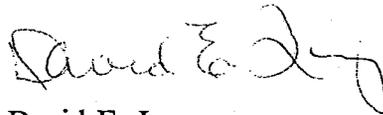
Do to the imminent approval of the transfer, assignment or sale of Permit No.

James M. Carter
May 3, 1994
Page 2

ACT/007/001, VC respectfully requests an extension of time of thirty days from the date of approval of the transfer application in which to submit a renewal application consistent with R645-303-232. In the alternative, VC requests the Division to find that the information submitted in the transfer application sufficient to meet the information requirements for permit renewal.

Please let me know if you need anything further regarding this matter.

Sincerely,



David E. Lung
Secretary

DEL:nb

cc: Todd Kiscaden
Scott Kiscaden
John Kirkham, Esq.
Denise A. Drago, Esq.
Richard Winkler, Esq.

Permit Number: ACT/007/001
Date Original Permit Issued: _____
Effective Date of Agreement: _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

COAL RECLAMATION AGREEMENT

--000000--

For the purposes of this RECLAMATION AGREEMENT the terms below are defined as follows:

"PERMIT": (Mine Permit No.) ACT/007/001 (County) Carbon

"MINE": (Name of Mine) White Oak Mine No.1; White Oak Mine No.2

"OPERATOR": White Oak Mining and Construction Company, Inc.

"PERMITTEE": (Company or Name) White Oak Mining and Construction Company, Inc.
(Address) Scotfield Route
Helper, Utah 84526

"PERMITTEE'S REGISTERED AGENT": (Name) Alexander H. Walker
(Address) 51 W. 200 S., Suite 400, Salt Lake City, UT
(Phone) (801) 521-3292 84101

"COMPANY OFFICERS": Scott Kiscaden, President
Todd Kiscaden, Secretary

"BOND TYPE": (Form of Bond) Surety Bond

"BOND": (Bond Amount-Dollars) \$5,891,000.
(Escalated Year-Dollars) 1995

"INSTITUTION": (Bank or Agency) National Union Fire Insurance Co. of Pittsburgh
PA

"POLICY OR ACCOUNT NUMBER": 13-60-93

"LIABILITY INSURANCE": (Exp.) _____
(Insurance Company) Federal Insurance Company

"STATE": Utah (Department of Natural Resources)

"DIVISION": Division of Oil, Gas and Mining

"DIVISION DIRECTOR": James W. Carter

EXHIBITS:

		Revision Dates		
"PERMIT AREA"	Exhibit "A"	_____	_____	_____
"BONDING AGREEMENT"	Exhibit "B"	_____	_____	_____
"LIABILITY INSURANCE"	Exhibit "C"	_____	_____	_____
"STIPULATION TO CHANGE BOND"	Exhibit "D"	_____	_____	_____

RECLAMATION AGREEMENT.

This RECLAMATION AGREEMENT, hereinafter "AGREEMENT", is entered into by the Permittee.

WHEREAS, on _____ (Date of Permit Approval), the Division of Oil, Gas and Mining approved the Permit Application Package, hereinafter "PAP", submitted by White Oak Mining and Construction Company, Inc., hereinafter "PERMITTEE"; and

WHEREAS, the PAP, as amended or revised in conjunction with the Act and the Rules, constitutes the approved plan for reclamation of the Surface Disturbance; and

WHEREAS, in the conduct of reclamation operations within the Permit Area described in the PAP, the Permittee is obligated by Title 40-10-1, et seq., Utah Code Annotated (1953, as amended), hereinafter "Act", to file and maintain with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act, and the State of Utah Division of Oil, Gas and Mining Rules pertaining to Coal Mining and Reclamation Activities, hereinafter "Rules"; and

WHEREAS, the Permittee is ready and willing to file the bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws & regulations relating to the reclamation within the Permit Area.

NOW, THEREFORE, the Division and the Permittee agree as follows:

1. The provisions of the Act and the Rules are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of the PAP, the Act and the Rules, including the reclamation of all areas disturbed by surface coal mining and reclamation operations despite the eventuality that the cost of actual reclamation exceeds the bond amount.
3. The Permittee agrees to provide a legal description of the Permit Area including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations within the Permit Area. The description is attached as Exhibit "A", and is incorporated by reference and shall be referred to as the "Permit Area".
4. The Permittee agrees to provide a bond to the Division in the form and amount acceptable to the Division ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act and the Rules. Said bond is attached as Exhibit "B" and is incorporated by reference.

5. The Permittee agrees to maintain in full force and effect the public liability insurance policy submitted as part of the permit application. The Division shall be listed as an additional insured on said policy.
6. In the event that the Surface Disturbance is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the bond as appropriate.
7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or Permittee's agent or employees failure to abide by the terms and conditions of the approved PAP and this Agreement.
8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Surface Disturbance in accordance with the approved PAP, the Act, and the Rules: Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may approve, a written modification to this Agreement.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the bond meets the requirements of the Act and the Rules, but no bond shall be released until the Division has approved and accepted the replacement bond.
10. Any revision in the Surface Disturbance, the bond amount, the bond type, the liability insurance amount coverage, and/or the liability insurance company, or other revisions affecting the terms and conditions of this Agreement shall be submitted on the form entitled "Stipulation to Revise Reclamation Agreement" and shall be attached hereto as Exhibit "D" (other exhibits as appropriate).
11. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this agreement.
12. Any breach of the provisions of this Agreement, the Act, the Rules, or the PAP may, at the discretion of the Division, result in an order to cease coal mining and reclamation operations, revocation of the Permittee's permit to conduct coal mining and reclamation operations and/or forfeiture of the bond.

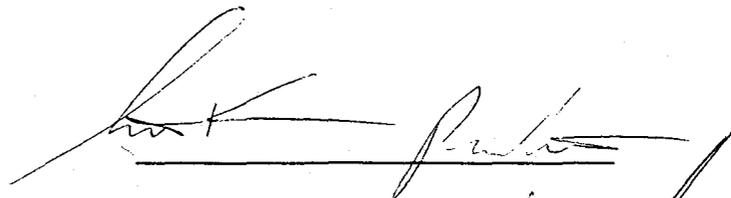
- 13. In the event of forfeiture, the Permittee agrees to be liable for additional costs in excess of the bond amount which may be incurred by the Division in order to comply with the PAP, the Act, and the Rules. Any excess monies resulting from the forfeiture of the bond amount upon compliance with this contract shall be refunded to the appropriate party.
- 14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached hereto.

SO AGREED this 27th day of May, 19 94

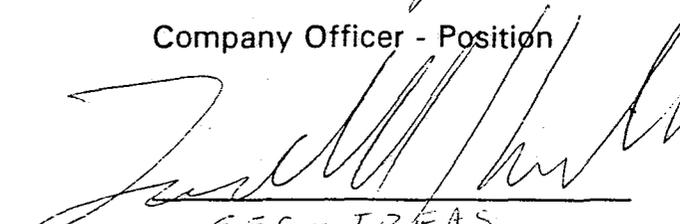
STATE OF UTAH:


James W. Carter, Director
Division of Oil, Gas and Mining

PERMITTEE:



Company Officer - Position



SEC - TREAS
Company Officer - Position

NOTE:

An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the Principal is a corporation, the Agreement shall be executed by its duly authorized officer.

Updated April 1992

RECLAMATION AGREEMENT

(C O A L)

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RECLAMATION AGREEMENT

EXHIBIT "A"
PERMIT AREA

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AFFIDAVITS OF QUALIFICATION

POWER OF ATTORNEY

EXHIBIT "A"
PERMIT AREA
LEGAL DESCRIPTION

EXHIBIT "A"

PERMIT AREA

In accordance with the RECLAMATION AGREEMENT, the PERMITTEE intends to conduct coal mining and reclamation activities on or within the PERMIT AREA as described hereunder:

Total acres within the approved PERMIT AREA: _____

Total acres of DISTURBED AREAS within the Permit Area: 140.2 acres

Map(s) showing the approved PERMIT AREA are attached and provided as:

See MRP R645-301-100 PERMIT AREA BASE MAP Sheet 1 of 1

Map(s) showing the DISTURBED AREAS within the approved Permit Area are attached and provided as:

See PAP p.100-25 of 27, Drawing No.
R645-301-231.300 Sheet 1 of 4 (Rev. Aug, 1993)

Legal Description of Bonded Area:

T14S R7E SLB&M, Section 7 NW $\frac{1}{4}$, and NW $\frac{1}{4}$ of NE $\frac{1}{4}$, Section 6 W $\frac{1}{2}$, and W $\frac{1}{2}$ of E $\frac{1}{2}$, T14S R6E SLB&M, Section 1 E $\frac{1}{2}$ NE $\frac{1}{4}$, and NE $\frac{1}{4}$ of SE $\frac{1}{4}$, T13S R7E SLB&M, Section 31 SW $\frac{1}{4}$, and W $\frac{1}{2}$ of NW $\frac{1}{4}$, Section 30 W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 21 Parts of NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 20 Parts of NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 19 S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and parts of W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{2}$, and NE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 17 NE $\frac{1}{4}$ excluding parts of SW $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Section 16 W $\frac{1}{2}$ W $\frac{1}{2}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 9 W $\frac{1}{2}$ SW $\frac{1}{4}$, Section 8 E $\frac{1}{2}$ SE $\frac{1}{4}$, and a Part of SW $\frac{1}{4}$ SE $\frac{1}{4}$, T13S R6E SLB&M, Section 36 All, Section 35 Parts of E $\frac{1}{2}$ E $\frac{1}{2}$, and SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 25 E $\frac{1}{2}$ and Parts of W $\frac{1}{2}$, Section 24 SE $\frac{1}{4}$ and Parts of S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, and E $\frac{1}{2}$ SW $\frac{1}{4}$.

NOTE:

In the event that more than one bond is provided for the Permit Area, the Permittee must provide a map and legal description for each sub area of the Permit Area for which each bond is provided.

EXHIBIT "B"
BONDING AGREEMENT

Surety Bond

Collateral Bond

EXHIBIT "B"

**SURETY BOND
(FEDERAL COAL)**

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE, and SURETY company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the penal sum of ~~Five Million Eight Hundred~~ ~~Ninety One Thousand Dollars~~ \$5,891,000.00 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the permit area described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all of the PERMITTEE's reclamation obligation have been met and released by the DIVISION and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the DIVISION.

The SURETY will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The SURETY and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the DIVISION and OSM from any and all expenses which the DIVISION and OSM may sustain as a result of the PERMITTEE's failure to comply with the condition(s) of the reclamation obligation.

The SURETY will give prompt notice to the PERMITTEE and to the DIVISION and OSM of any notice or action involving insolvency or bankruptcy of the SURETY, or alleging any violations of regulatory requirements which could result in suspension or revocation of the SURETY's license in this state. In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 31 day of March, 1994.

White Oak Mining and Construction Co., Inc.

PERMITTEE

By: [Signature]

Title: [Signature]

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 31 day of March, 1994.

National Union Fire Insurance Company of Pittsburgh,
PA

SURETY

By: Ava M. Walker

Title: Ava M. Walker, Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH
this 22 day of May, 1994.

[Signature]

James W. Carter, Director
Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEY

No. 02-B-54926

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

—James H. Godfrey Jr., Phillip S. McCrorie, Ava M. Walker: of Lexington Kentucky—

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents



this 22 day of June, 1993.

Mark E. Reagan
Mark E. Reagan, Senior Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK }ss.

On this 22nd day of June, 1993, before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

Paulette K. Williams

PAULETTE K. WILLIAMS
Notary Public, State of New York
No. 31-4972606
Qualified in New York County
Certificate Filed In New York County
Commission Expires October 1, 1994

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 31 day of March, 19 94

Elizabeth M. Tuck
Elizabeth M. Tuck, Secretary

EXHIBIT "C"

LIABILITY INSURANCE

CERTIFICATE OF LIABILITY INSURANCE

Issued To:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
--ooOOoo--

THIS IS TO CERTIFY THAT:

CHUBB GROUP (FEDERAL INSURANCE COMPANY)

(Name of Insurance Company)

15 MOUNTAIN VIEW ROAD, WARREN, NJ 07059

(Home Office Address of Insurance Company)

HAS ISSUED TO:

WHITE OAK MINING & CONSTRUCTION COMPANY, INC.

(Name of Permittee)

WHITE OAK NO. 1 MINE

WHITE OAK NO. 2 MINE

(Mine Name)

ACT/007/001

(Permit Number)

CERTIFICATE OF INSURANCE:

3710-45-17

(Policy Number)

9/16/93

(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

Per R645-301-890 Terms and Conditions for Liability Insurance:

- A. The DIVISION shall require the PERMITTEE to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

- C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Application is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division. Any change unauthorized by the Division is considered breach of the RECLAMATION AGREEMENT and the Division may pursue remedies thereunder.

UNDERWRITING AGENT:

PHILIP B. GIBSON

(Agent's Name)

606-273-6600

(Phone)

MCDONOUGH CAPERTON INSURANCE GROUP

(Company Name)

3201 NICHOLASVILLE ROAD, SUITE 410

(Mailing Address)

LEXINGTON, KENTUCKY 40503-3311

(City, State, Zip Code)

The undersigned affirms that the above information is true and complete to the best of his/her knowledge and belief, and that he/she is an authorized representative of the above-named insurance company. (An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.)

4/18/94 Philip B. Gibson Vice President
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by Philip B. Gibson

this 18th day of April, 1994.

Janita W. Clements

(Signature)

My Commission Expires: 8/17/97

EXHIBIT "D"
STIPULATION TO REVISE
RECLAMATION AGREEMENT

Permit Number: _____
Effective Date: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

This STIPULATION TO REVISE RECLAMATION AGREEMENT entered into by and between the PERMITTEE and DIVISION incorporates the following revisions or changes to the RECLAMATION AGREEMENT: (Identify and Describe Revisions Below)

In accordance with this STIPULATION TO REVISE RECLAMATION AGREEMENT, the following Exhibits have been replaced by the PERMITTEE and are approved by the DIVISION:

_____ Replace the RECLAMATION AGREEMENT in its entirety.

_____ Replace Exhibit "A" - PERMIT AREA.

_____ Replace Exhibit "B" - BONDING AGREEMENT.

_____ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$ _____) to (\$ _____).

The BONDING Type is changed from _____ to _____.

The SURFACE DISTURBANCE is revised from _____ acres to _____ acres.

The EXPIRATION DATE is revised from _____ to _____.

The LIABILITY INSURANCE carrier is changed from _____
to _____.

The AMOUNT of INSURANCE coverage for bodily injury and property damage
is changed from (\$ _____) to (\$ _____).

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this ____ day of _____, 19____.

PERMITTEE
By: _____
Title: _____

ACCEPTED BY THE STATE OF UTAH
this ____ day of _____, 19____.

Director, Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVITS
OF
QUALIFICATION**

AFFIDAVIT OF QUALIFICATION
DIRECTOR

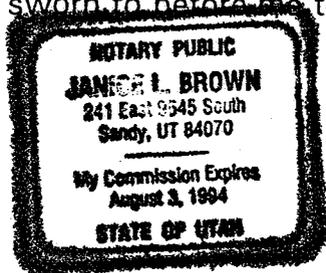
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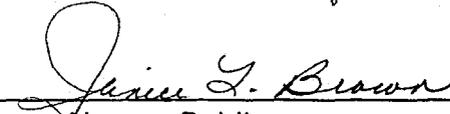
James W. Carter, being first duly sworn under oath, deposes and says that he is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed)


James W. Carter, Director
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 27th day of May, 19 94.




Notary Public

My Commission Expires:

August 3, 19 94.

Attest:

STATE OF Utah)

COUNTY OF Salt Lake)

ss:

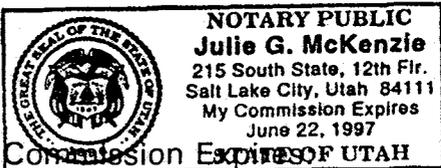
AFFIDAVIT OF QUALIFICATION
PERMITTEE
--ooOOoo--

I, Scott Kiscaden being first duly sworn under oath, deposes and says that he/she is the (officer or agent) _____ of _____; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

(Signed) [Signature]
Name - Position

Subscribed and sworn to before me this 29th day of March, 1994.

[Signature]
Notary Public



My Commission Expires 6-22, 1997.

Attest:
STATE OF Utah
COUNTY OF Salt Lake) SS:

**AFFIDAVIT OF QUALIFICATION
SURETY COMPANY**

--oo00oo--

I, Tina Hall Cocanougher, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Agent of National Union Fire Insurance Company of Pittsburgh, PA; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed) Tina M. Walker
Attorney-in-Fact
Surety Company Officer - Position

Subscribed and sworn to before me this 25 day of April, 1994.

Tina Hall Cocanougher
Notary Public

My Commission Expires: My

Notary Public for the State of Utah
My Commission Expires on 02-24-1995

_____, 19 ____.

Attest:

STATE OF _____)

) ss:

COUNTY OF _____)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 26, 1994

TO: File

FROM: Daron R. Haddock, Permit Supervisor

A handwritten signature in dark ink, appearing to read 'D. Haddock'.

RE: Compliance Review for Section 510(c) Findings, Transfer of Belina/White Oak Mine to White Oak Mining and Construction Company from Valley Camp of Utah, Inc., ACT/007/001, Folder #3, Carbon County, Utah

As of the writing of this letter, there are no NOV's or CO's which are not corrected or in the process of being corrected. Any NOV's or CO's that are outstanding are in the process of administrative or judicial review. There are no finalized Civil Penalties which are outstanding and overdue in the name of Valley Camp of Utah, Inc. or White Oak Mining and Construction, Inc.

Finally, neither company has a demonstrated pattern of willful violations nor have they been subject to any bond forfeitures for any operation in the state of Utah.

510c.oak



ER-MR-106: Rev 10/88

DEPARTMENT OF ENVIRONMENTAL RESOURCES
 MINING PROGRAM
 CIVIL PENALTY WORKSHEET

I. IDENTIFICATION

Company Helen Mining Co
 Permit 32841806
 Municipality Blacklick
 County Indian
 Inspection Report Date 4-2-91
 Compliance Order Date 7-31-91 No. 914006

IV. PENALTY ACTION

Penalty Assessed YES NO
 Calculated Amt 200⁰⁰ Date 7-31-91
 Proposed Assessment Notice Date _____
 Assessment Conference Date _____
 Consent Assessment Date _____ Amt _____
 Assessment Notice Date _____ Amt _____
 Collection Date _____ Amt _____
 Appeal Date _____

II. MANDATORY PENALTY

- Cessation Order Issued -- Minimum \$750
- Failure to Comply -- Minimum \$750/day x _____ Days
- Mining Without Permit -- Prohibited and Barrier Areas -- \$5000
- Mining -- Removal of Coal/Overburden -- Minimum \$2000/Acre x _____ Acres
- Mining Activities Off Permit -- Minimum \$1000/Acre x _____ Acres

Total Mandatory Penalty Amount \$ _____

III. PENALTY CALCULATION CRITERIA (§86.194)	5 year boundary Violation No.	Violation No.	Violation No.
SERIOUSNESS	\$ 100	\$	\$
Severe (\$2501-max)	<input type="checkbox"/> No Env. harm.	<input type="checkbox"/>	<input type="checkbox"/>
Significant (\$751-\$2500)	<input type="checkbox"/> Revision already	<input type="checkbox"/>	<input type="checkbox"/>
Moderate (\$100-\$750)	<input checked="" type="checkbox"/> in house & under review	<input type="checkbox"/>	<input type="checkbox"/>
Water Quality Chart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CULPABILITY	\$ 100	\$	\$
Recklessness (\$2000-Max)	<input type="checkbox"/> Was brought to	<input type="checkbox"/>	<input type="checkbox"/>
Negligence (\$100-\$1500)	<input checked="" type="checkbox"/> our attn by operator.	<input type="checkbox"/>	<input type="checkbox"/>
SPEED OF COMPLIANCE	\$	\$	\$
Credit - (Maximum \$1000)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Penalty 10%/day - \$1000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COST TO COMMONWEALTH	\$	\$	\$
SAVINGS TO VIOLATOR	\$	\$	\$
SUBTOTAL	\$	\$	\$
HISTORY OF VIOLATION Subtotal x .05 x violations	\$	\$	\$
TOTAL	\$ 200 ⁰⁰	\$	\$

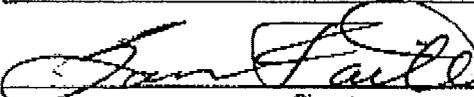
Reviewer _____

Date _____

CIVIL PENALTY CONFERENCE REPORT

Conference Date _____ Time _____ Attending: <div style="text-align: center; font-size: 1.2em;"><i>None</i></div>	Proposed Assessment Amount \$ <u>200</u> <input type="checkbox"/> Raised +\$ _____ <input type="checkbox"/> Lowered -\$ <u>200</u> ^{or} <input type="checkbox"/> Affirmed <input type="checkbox"/> Vacated <input checked="" type="checkbox"/> Waived Final Penalty Amount \$ <u>0</u>
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	Proposed	Change	RATIONALE FOR CHANGE
VIOLATION		+/-	<i>Vio brought to our attn by operator. Revision already under review in office. and Reviewer said probably no problem with application.</i>
Seriousness			
Culpability			
Speed of Compliance			
Cost of Commonwealth			
Savings to Violator			
Violation History			
TOTAL			
VIOLATION		+/-	
Seriousness			
Culpability			
Speed of Compliance			
Cost of Commonwealth			
Savings to Violator			
Violation History			
TOTAL			
VIOLATION		+/-	
Seriousness			
Culpability			
Speed of Compliance			
Cost of Commonwealth			
Savings to Violator			
Violation History			
TOTAL			
TOTAL ALL PENALTIES			FINAL AMOUNT ALL PENALTIES \$ _____



 Signature

8-1-91

 Date

DATE: 20 MAY 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 15:13:22

STATE: UT

APPNO: ACT007001

SEQNO: 1

PAGE: 1

APPLICANT'S ENTITY ID: 132567

APPLICANT'S NAME : WHITE OAK MINING & CONSTR CO INC

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

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* SYSTEM RECOMMENDATION : DENY *
* PREVIOUS SYSTEM RECOMMENDATION: DENY(940519) *
* OSMRE RECOMMENDATION : ISSUE(940518) *
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F2/PROCEED F3/QUIT F4/MAIN F6/REPORT F9/VIEW VIOL F10/VIEW OFT

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