

0011

### Document Information Form

Mine Number: C/007/001

File Name: Outgoing

To: DOGM

From:

Person N/A  
Company DEPARTMENT OF NATURAL RESOURCES DIVISION  
OF OIL, GAS AND MINING

Date Sent: 04/19/1994

Explanation:

COAL RECLAMATION AGREEMENT

cc:

File in: C/ 007, 001, Outgoing

Refer to:

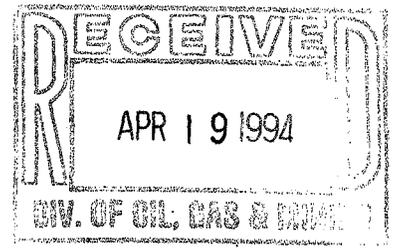
- Confidential
- Shelf
- Expandable

Date \_\_\_\_\_ For additional information

#4

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" _____

File in:  Confidential  
 Shelf  
 Expandable  
Refer to Record No. 0001 Date 4-19-94  
In C/007-001, 1994, Outgoing  
For additional information

## 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 Transfer Application 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 \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

**STATE OF UTAH:**

\_\_\_\_\_

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

**PERMITTEE:**

\_\_\_\_\_

\_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_

\_\_\_\_\_  
SEC - TIZEAS  
Company Officer - Position

Updated April 1992

**RECLAMATION AGREEMENT**

**(C O A L)**

**CONTENTS:**

**RECLAMATION AGREEMENT**

**EXHIBIT "A"**  
**PERMIT AREA**

**EXHIBIT "B"**  
**BONDING AGREEMENT**  
**SURETY BOND**  
**COLLATERAL BOND**  
**IRREVOCABLE LETTER OF CREDIT**  
**ASSIGNMENT OF CERTIFICATE OF DEPOSIT**

**EXHIBIT "C"**  
**LIABILITY INSURANCE**

**EXHIBIT "D"**  
**STIPULATION TO REVISE RECLAMATION AGREEMENT**

**AFFIDAVITS OF QUALIFICATION**

**POWER OF ATTORNEY**

**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.

**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 \$ 5,891,000 (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.

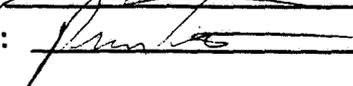
Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

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

WHITE OAK MINING & CONSTRUCTION COMPANY, INC.

PERMITTEE

By:  \_\_\_\_\_

Title:  \_\_\_\_\_

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
SURETY

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED BY THE STATE OF UTAH  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
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.

**EXHIBIT "C"**  
**LIABILITY INSURANCE**

Permit Number: ACT/007/001

**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)

LEXINGTON GREEN TWO, SUITE 410, NICHOLASVILLE ROAD, LEXINGTON, KENTUCKY

(Home Office Address of Insurance Company) 40503-3311

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:

_____	_____
(Agent's Name)	(Phone)
_____	
(Company Name)	
_____	_____
(Mailing Address)	(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.)

\_\_\_\_\_  
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by \_\_\_\_\_

this \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

\_\_\_\_\_  
(Signature)

My Commission Expires: \_\_\_\_\_

**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  
INSTITUTION (Bank or Agency)**

--ooOOoo--

I, \_\_\_\_\_, 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 INSTITUTION (Bank or Agency) 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) \_\_\_\_\_

Name - Position

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_, 19 \_\_\_\_.

Attest:

STATE OF \_\_\_\_\_ )

) ss:

COUNTY OF \_\_\_\_\_ )



**POWER OF ATTORNEY**

