

0020

PRICE RIVER COAL COMPANY

P.O. BOX 629 HELPER, UTAH 84526 (801) 472-3411

August 6, 1984

RECEIVED

AUG 9 1984

**DIVISION OF OIL
GAS & MINING**

File ACT/007/004

Folder # 5

Pam Grubaugh-Littig
Division of Oil, Gas, and Mining
4241 State Office Building
Salt Lake City, UT 84114

Dear Ms. Littig:

Enclosed is the bond form and bond for the Price River Coal Company mine area.

The Crandall Canyon bond is now included in this amount. Please cancel the \$350,000 Crandall Canyon bond as discussed.

Very truly yours,

PRICE RIVER COAL COMPANY

Robert L. Wiley/jp

Robert L. Wiley
Environmental Engineer

RLW:jp

Enclosure

cc: K. Hutchinson
P. Sylvester, Lancaster

Bond Number 4815289
Permit Number _____
Mine Name _____

Copy sent to OSM,
Dave Maxwell,
9/28/84 Mary B.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

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DIVISION OF OIL
GAS & MINING

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Price River Coal Company
as principal, and Safeco Insurance Company of America as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining, and the U. S. Department of the Interior, Office of Surface Mining
in the penal sum of Two million Five hundred thirty-two thousand eight hundred fifty-
dollars (\$ 2,532,857.). Such sum shall be payable to seven
one, but not both, of the above-named agencies.

The principal estimated in a "Notice of Intention to Commence Mining
Operations and a Mining and Reclamation Plan," filed with the Division of Oil,
Gas and Mining on the 16th day of March,
19 81, that 134.5 acres of land will be disturbed by this mining
operation in the State of Utah. A description of the disturbed land is
attached hereto as Exhibit "A."

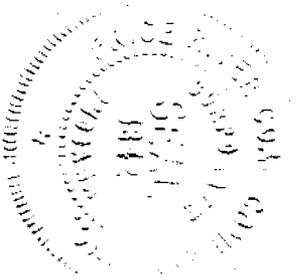
When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is
noncancellable by the surety at any time for any reason including, but not
limited to nonpayment of premium or bankruptcy of the permittee during the
period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.



Price River Coal Company
Principal (Company)

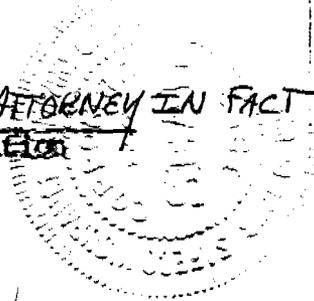
By J. E. Katlic
Company Official - Position
J. E. Katlic
Executive Vice-President and
Chief Operating Officer of
Price River Coal Company

APPROVED
LEGAL-FSD
QCN

Date: July 30, 1984

Safeco Insurance Company of America
Surety (Company)

By Kathleen A. Inad - ATTORNEY IN FACT
Official of Surety - Position



DATE: 7/13/84

BOARD:

J. E. Will

DATE: August 23, 1984



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

6385

No. _____

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does hereby appoint

-----**KATHLEEN A. TRAD; JAMES L. WILMERS; JAMES E. FINN; STEPHEN H. FALOR; BRIAN J. FOY; PETER D. REGRUT**, Columbus, Ohio-----

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 8th day of March, 1983
State of Washington
County of King

On the 8th day of March, 1983, before me personally came J.W. Cannon, to me known, who being duly sworn, did depose and say that he/she resides in Seattle, Washington, that he is President of **GENERAL INSURANCE COMPANY OF AMERICA** and

SAFECO INSURANCE COMPANY OF AMERICA, the Corporations described in and which executed the above instrument; that he knows the seals of each Corporation; that the seals affixed to said instrument are such corporate seals; that they were so affixed by order of the Board of Directors of each Corporation, and that he signed his name thereto by like order.

My commission expires December 17, 1984

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business.

"The power of appointment granted in this paragraph to the officers enumerated may be exercised by each of them severally, regardless of the availability or unavailability of the other officers enumerated. On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile.

"On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

I, W.D. Hammersla, Vice President and Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing is a true and correct copy of Article V, Section 13 of the By-Laws of each corporation and of powers of attorney executed pursuant thereto and that both said By-Laws and said Powers of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation
this 13th day of July, 1984

LEGAL DESCRIPTION OF THE PRICE RIVER MINE COMPLEX PROPOSED PERMIT AREA

T. 12 S., R. 9 E., sec. 26, 27, 28, 31, 32, 33, and 34; portions of sec. 22 and 36; sec. 25, SW 1/4; sec. 29, all except N 1/2 NW 1/4 and NW 1/4 NE 1/4; sec. 30, all except N 1/2 NW 1/4 and N 1/2 NE 1/4; and sec 35, N 1/2;

T. 13 S., R. 9 E., portions of sec. 1, 2, 3, 4, 5, 6, 8, 9, and 16; sec. 10 N 1/2;

T. 12 S., R. 10 E., portions of sec. 31;

T. 13 S., R. 10 E., portions of sec. 6, 10, and 16;