

Bond Number 929 80 55
Permit Number ACT/007/004
Mine Name Castle Gate Coal Company

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

RECEIVED
FEB 05 1986

THE MINED LANDS RECLAMATION ACT

DIVISION OF
OIL, GAS & MINING

BOND

The undersigned Castle Gate Coal Company
as principal, and National Fire Insurance Company of Hartford 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 six hundred eighty three thousand six hundred and three
dollars (\$2,683,603.00). Such sum shall be payable to
one, but not both, of the above-named agencies.

The principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 24th day of December
19 84, 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.

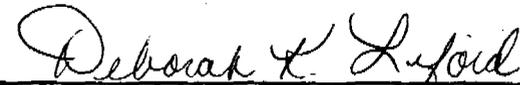
NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

CASTLE GATE COAL COMPANY
Principal (Company)

By 
Company Officer - Position
William R. Wahl - President

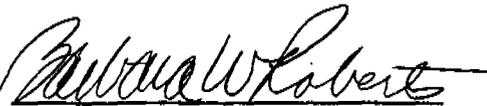
Date: 1/31/86

National Fire Insurance Company of Hartford
Surety (Company)

By 
Surety Company Officer / Position
Deborah K. Liford Attorney in Fact

DATE: 1/31/86

APPROVED AS TO FORM:

By 
Assistant Attorney General

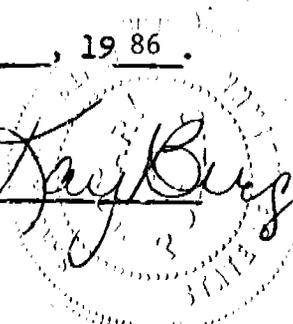
AFFIDAVIT OF QUALIFICATION

Deborah K. Liford, being first duly sworn, on oath deposes and
Attorney in Fact of
says that he/she is the (officer or agent) National Fire Insurance Company of
Hartford
of said Surety Company, and that he/she is duly authorized to execute and
deliver the foregoing obligations; 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.

(Signed) Deborah K. Liford
Surety Company Officer - Position
Deborah K. Liford Attorney in Fact

Subscribed and sworn to before me this 31st day of January, 19 86.

Sandra Kay Buge
Notary Public



My Commission Expires:

2-17, 19 89.

National Fire Insurance Company of Hartford



Office/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Deborah K. Liford, Individually

of Indianapolis, Indiana

its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 21, 1955 by the Board of Directors of the Company.

RESOLVED: That the President, an Executive Vice President or any Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorneys-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 14th day of May, 1964.

RESOLVED: That the signature of the President, an Executive Vice President or a Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 21, 1955 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed this 13th day of May, 1985



NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

[Signature of J. E. Purtell]

J. E. Purtell

Vice President.

State of Illinois, County of Cook, ss:

On this 13th day of May, 1985, before me personally came

J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview, State of Illinois;

that he is a Vice-President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



[Signature of Leslie A. Smith]

Leslie A. Smith

Notary Public.

My Commission Expires November 12, 1986

CERTIFICATE

I, M. C. Vonnahme, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 31st day of January, 1986.



[Signature of M. C. Vonnahme]

M. C. Vonnahme

Assistant Secretary.

Exhibit "A"

A legal description of the disturbed area which this bond represents:

Township 12 South, Range 9 East, SLBM
Section 22, portion; Section 27, portion; Section 28, portion;
Section 29, portion; Section 35, portion; Section 36, portion.

Township 13 South, Range 9 East, SLBM
Section 1, portion; Section 3, portion; Section 4, portion; Section
9, portion; Section 10, portion.

The bond also temporarily covers the following areas for which
Price River Coal Company will remain responsible:

Township 12 South, Range 9 East, SLBM
Section 36, portion

Township 12 South, Range 10 East, SLBM
Section 31, portion

Township 13 South, Range 9 East, SLBM
Section 1, portion.

Township 13 South, Range 10 East, SLBM
Section 6, portion; Section 16, portion; Section 10, portion

These areas shown on Castle Gate Coal Company's Permit Map
No. CG-8601-12-1/1

The area for which Price River Coal Company will remain responsible
is shown on "Revised Permit Area Attachment No. 2".