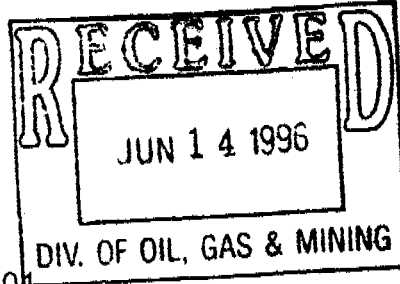


0035

June 12, 1996

Ms. Pamela Grubaugh-Littig
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114-5804



BUCKRIDGE
Environmental
Engineering, Inc.

Engineers/Scientists

8344 Susan Court
Newburgh, IN 47630-3248
Telephone (812)858-9970
Facsimile (812)858-9985

RE: Amax Coal Holding Company - Castle Gate Mine
Permit No. ACT/007/004 - Replacement Bond Coverage

Dear Ms. Grubaugh-Littig:

Pursuant to R645-303-323, on behalf of Amax Coal Holding Company, Buckridge Environmental Engineering, Inc. is submitting the enclosed rider and endorsement for the two (2) bonds currently posted by Amax Coal Company as performance bond coverage in support of Amax Coal Holding's pending application for transfer and assignment of the Castle Gate Mine permit. The enclosed General Purpose Rider is for Bond Number 929-80-55 issued by National Fire Insurance Company of Hartford. The Endorsement is for Bond Number JT1133 issued by St. Paul Fire and Marine Insurance Company. As you are aware, the permit transfer is being requested to reflect the change in corporate ownership and control of the mining operations as a result of the proposed stock and asset transfer from Amax Coal Company to Amax Coal Holding Company.

It is my understanding that the submittal of the enclosed reclamation bonds completes the requirements for your department's approval of the transfer and assignment of the permit for the Castle Gate Mine. Your expeditious review of the enclosed bonds and approval of Amax Coal Holding Company's application for transfer and assignment of the permit would be greatly appreciated to allow the stock and asset transfer to occur on June 28, 1996 as scheduled.

Should you have any questions concerning this matter, please feel free to contact me the letterhead address or telephone number.

Sincerely,

James W. Buck, P.E.
President

Enclosures

cc: M. Kegley - Cyprus Amax Minerals
S. Fetherhuff - Cyprus Amax Minerals
J. Pappas - Cyprus Plateau Mining



For All the Commitments You Make®

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number **929 80 55** effective **January 31, 1986**

issued by the **National Fire Insurance Company of Hartford** in the amount of
Six Million Seven Hundred Fifty Seven Thousand Four Hundred
Fifty One and No/100----- DOLLARS, on behalf of **Amax Coal Company**

as Principal and in favor of **State of Utah, Division of Oil, Gas and Mining, and**
the U.S. Department of the Interior as obligee:

Now, Therefore, it is agreed that:

The Principal's name is hereby amended to:

Amax Coal Holding Company

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the **6th** day of **June** 19 **96**

Signed, sealed and dated this **6th** day of **June** 19 **96**

Amax Coal Holding Company (Principal)

National Fire Insurance Company
of Hartford (Surety)

By: *Denise R. Danner*

By: *Wendy W. Stuckey*
Wendy W. Stuckey Attorney-in-Fact

Accepted By:

National Fire Insurance Company of Hartford



For All the Commitments You Make®

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 Mary C. Jones, William N. Burke, Jr., Dan W. Burton, Michelle M. Urley, Karen D. Grammer, Wendy W. Stuckey, Individually

of Houston, Texas 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 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group 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 Attorney-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 Senior or Group 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 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group 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 17, 1993 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 Group Vice President and its corporate seal to be hereto affixed this 8th day of August, 1994.

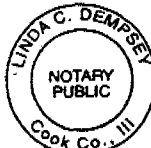


NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

M. C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 8th day of August, 1994, before me personally came M. C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Downers Grove, State of Illinois; that he is a Group 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.



Linda C. Dempsey Notary Public My Commission Expires October 19, 1994

CERTIFICATE

I, George R. Hobaugh, 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 6th day of June, 1996.



George R. Hobaugh Assistant Secretary

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
385 Washington Street, St. Paul, Minnesota 55102
ENDORSEMENT

The Principal's name is hereby amended to Amax Coal Holding Company

This endorsement is effective on the 6th day of June 1996

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, agreements, or limitations of the attached bond other than as above stated.

Attached to and forming a part of Bond No. JT1133

Issued to Amax Coal Company

In Witness Whereof, St. Paul Fire and Marine Insurance Company has caused this endorsement to be executed

by its officers or agent duly authorized thereunto, this 6th day of June 1996

Amax Coal Holding Company

By: Merise R. Danner

Attest:

[Signature]

St. Paul Fire and Marine Insurance Company

By: Wendy W. Stuckey

Attorney-in-Fact

CERTIFIED COPY NO.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-421-3880 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

1898201

F-13338

GENERAL POWER OF ATTORNEY - CERTIFIED COPY (Original on File at Home Office of Company. See Certification.)

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

William N. Burke, Elsa Alvarez, Mary C. Jones, Dan W. Burton, Wendy W. Stuckey, Sharon J. Sweeney, individually, Houston, Texas

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

NOT TO EXCEED IN PENALTY THE SUM OF TWENTY-FIVE MILLION DOLLARS (\$25,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said St. Paul Fire and Marine Insurance Company, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of ST. PAUL FIRE AND MARINE INSURANCE COMPANY at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6 (C):

- 'The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him.'

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

'Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or 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 and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.'

IN TESTIMONY WHEREOF, St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

Michael Keegan MICHAEL B. KEEGAN, Secretary



STATE OF NEW JERSEY } ss. County of Somerset

On this 5th day of May, 1995, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of St. Paul Fire and Marine Insurance Company; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the township of Bedminster, New Jersey, the day and year first above written.



Linda Smethers LINDA SMETHERS, Notary Public, Middlesex, NJ My Commission Expires December 16, 1996

CERTIFICATION

I, the undersigned officer of St. Paul Fire and Marine Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

6th day of June, 1996

Michael W. Anderson MICHAEL W. ANDERSON, Asst. Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

DELEGATION OF AUTHORITY

January 3, 1996

I, Gerald J. Malys, Senior Vice President and Chief Financial Officer of Cyprus Amax Minerals Company ("Cyprus"), hereby delegate my authority to Denise R. Danner, Director of Financial Reporting, to execute on behalf of Cyprus, and any of its subsidiaries, surety bonds, routine insurance applications, and any and all documents relating to workers' compensation matters, including but not limited to, self-insurance permits, state fund accounts, assigned risk accounts, Federal USL&H permits, and Federal black lung permits.

This delegation of authority will expire on December 31, 1996.



Gerald J. Malys
Senior Vice President and
Chief Financial Officer