

0022



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)

July 12, 1996

Johnny Pappas
Sr. Environmental Engineer
Amax Coal Holding Company
P.O. Drawer PMC
Price, Utah 84501

Re: Transfer of Permit Rights from Amax Coal Company to Amax Coal Holding Company, Castle Gate Mine, ACT/007/004, Folder #3, Carbon County, Utah

Dear Mr. Pappas:

I am enclosing the Decision Document for the transfer of permit rights for the Castle Gate Mine from Amax Coal Company to Amax Coal Holding Company. Please sign both originals of the permit and return one to the Division.

The permit is effective July 2, 1996 for the Castle Gate Mine. There were some delays with the Applicant Violator System that have been resolved and the conditional issue of July 2, 1996, which was evaluated again with Amax Coal Holding Company as the permittee for the Castle Gate Mine on July 10, 1996, is valid.

Additionally, please submit five copies of the updated legal and financial information for inclusion in the Castle Gate Mine mining and reclamation plan. If you have any questions, please call me or Pamela Grubaugh-Littig.

Yours very truly,

A handwritten signature in black ink, appearing to read 'James W. Carter', written over a circular scribble.

James W. Carter
Director

Enclosure

cc: Lowell P. Braxton
Pamela Grubaugh-Littig
Daron Haddock
Joe Helfrich

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
PERMIT TRANSFER**

Amax Coal Holding Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

July 2, 1996

CONTENTS

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- * Permitting Chronology
- * Findings
- * Permit
- * Section 510 (c) Finding, July 2, 1996
- * Affidavit of Publication
- * Surety

ADMINISTRATIVE OVERVIEW

Amax Coal Holding Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

July 2, 1996

PROPOSAL

Amax Coal Holding Company submitted an application to transfer the permit rights for the Castle Gate Mine on April 5, 1996. This transfer application was submitted to reflect the change in corporate ownership and control of mining operations, including the Castle Gate Mine, as a result of the proposed stock and asset transfer from Amax Coal Company to Amax Coal Holding Company.

RECOMMENDATION

All of the information submitted by Amax Coal Holding Company has been found adequate. The permit transfer was published in the Price Sun Advocate on April 30, 1996. A 510 (c) clearance was verified on July 2, 1996 with a "conditional issue" recommendation. Due to delays in the system, the OSM recommendation for the Castle Gate Mine was verified on July 10, 1996.

Adequate bond and liability insurance have been posted by Amax Coal Holding Company. It is, therefore, recommended that approval be given for the transfer of the permit rights to Amax Coal Holding Company.

PERMITTING CHRONOLOGY

Amax Coal Holding Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

July 2, 1996

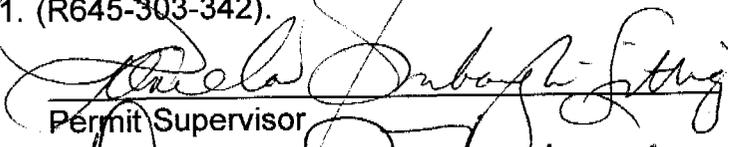
- April 4, 1996 Amax Coal Holding Company submits a permit transfer application.
- April 30, 1996 The permit transfer notice is published in the Price Sun Advocate.
- June 14, 1996 The bond rider to change the documents from Amax Coal Company to Amax Coal Holding Company is received at the Division.
- June 28, 1996 A "conditional issue" recommendation for Amax Coal Company.
- July 2, 1996 An OSM "conditional issue" recommendation for Amax Coal Holding Company. Subsequently, an OSM "conditional issue" recommendation for the Castle Gate Mine with Amax Coal Holding Company as the permittee is made on July 10, 1996.
- July 2, 1996 Permit Transfer.

FINDINGS

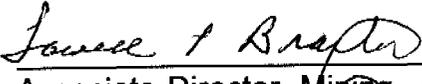
Amax Coal Holding Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

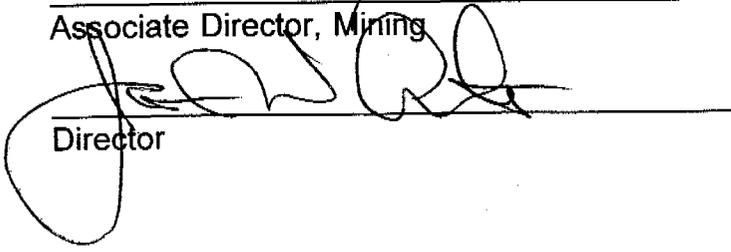
July 2, 1996

1. Division records and the results of the 510 (c) clearance check, show that neither Amax Coal Company, Amax Coal Holding Company or any affiliates control or have controlled coal mining and reclamation operations with a demonstrated pattern of willful violation of the Act of such nature and duration and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the Act.
2. The Division has determined that the application for transfer of permit rights is accurate and complete, and complies with the requirements of R645-300-133.100.
3. The applicant has the legal right to enter and begin coal mining activities at the Castle Gate Mine. (R645-301-114)
4. Amax Coal Company and Amax Coal Holding Company have paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. (R645-300-133.730)
5. Procedures for public participation have complied with the requirements of the Act and the Utah State Program. Notice was published in the Price Sun Advocate on April 30, 1996 as required by R645-303-322.
6. The applicant has obtained a performance bond equivalent to the bonding requirements of the existing permit, in the amount of \$9,316,451. (R645-303-342).


Permit Supervisor


Permit Supervisor


Associate Director, Mining


Director

FEDERAL

PERMIT
ACT/007/004

July 2, 1996

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

This permit, ACT/007/004, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

Amax Coal Holding Company
P. O. Drawer PMC
Price, Utah 84501
(801) 637-2875

for the Castle Gate Mine. Amax Coal Holding Company is the lessee of Federal Coal Leases U-25484, U-25485, U-058184, U-019524, SL-029093-046653, and SL-07137; State Leases ML-11940, ML-18148, and ML-13681; and of fee-owned parcels. A Surety Bond is filed with the Division in the amount of \$9,316,451, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM).

- Sec. 1** **STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2** **PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Castle Gate Mine situated in the state of Utah, Carbon County, and located in:

Township 12 South, Range 9 East, SLB & M

- Section 22:** Portions of SE1/4 SW1/4 and SW1/4 SE1/4
Section 26: All but E1/2 E1/2
Section 27: All
Section 28: All
Section 29: All but N1/2 NW1/4 and NW1/4 NE1/4
Section 30: All but N1/2 N1/2
Sec. 31, 32,
Sec. 33, 34: All
Section 35: Portions of N1/2, W1/2 SW1/4, and SE1/4 SE1/4
Section 36: S1/2 NW1/4 and portions of SW1/4 and NE1/4

Township 12 South, Range 10 East, SLB & M

Section 31: Portions of SW1/4

Township 13 South, Range 9 East, SLB & M

Section 1: Portions of NW1/4 NW1/4 and portions of NE1/4
Section 2: Portions of NE1/4 and NW1/4
Section 3: NW1/4 and portions of NE1/4, SE1/4 and SW1/4
Section 4: N1/2 and portions of SE1/4 and SW1/4
Section 5: NE1/4 and portions of NW1/4, SE1/4 and SW1/4
Section 6: N1/2 and portions of SW1/4 and SE1/4
Section 8: Portion of NE1/4
Section 9: Portions of NE1/4, NW1/4 and SW1/4
Section 10: Portions of NE1/4 and NW1/4

Township 13 South, Range 10 East, SLB & M

Section 6: Portions of NW1/4

This legal description is for the permit area of the Castle Gate Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit expires on December 24, 1999.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and

representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.

Sec. 7 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;
- (b) Immediate implementation of measures necessary to comply; and
- (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 **DISPOSAL OF POLLUTANTS** -The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

- Sec. 11** **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12** **RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13** **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14** **COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.), and the Clean Air Act (42 USC 7401 et seq.), UCA 26-11-1 et seq., and UCA 26-13-1 et seq.
- Sec. 15** **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas with the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16** **CULTURAL RESOURCES** - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17** **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 SPECIAL CONDITIONS - There are special conditions associated with this permitting action as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: _____

Date: _____

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

PERMITTEE

Authorized Representative of Permittee

Date

ACT/007/004
Permit
July 2, 1996
Page 6

ATTACHMENT A

Special Permit Stipulation - Within fourteen (14) days of completion of the resolution of the Pittston litigation, as referenced in the Applicant Violator System OSM recommendation, Amax Coal Holding Company will notify the Division of the terms of resolution.



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

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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)

July 2, 1996

TO: File

FROM: Pamela Grubaugh-Littig, Permit Supervisor 

RE: Compliance Review for Section 510 (c) Recommendation for Permit Transfer, Castle Gate Mine, Amax Coal Holding Company, ACT/007/004, Folder #3, Carbon County, Utah

As of the writing of this memo, there is a "conditional issue" for the Castle Gate Mine permit. Neither Amax Coal Copany nor Amax Coal Holding Company have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

State : UT Permit No : ACT007004 Appl No : ACT007004
 Permittee : 140995(AMAX COAL HOLDING CO) Seqno : 6
 Applicant : 140995(AMAX COAL HOLDING CO)

SYSTEM : C (COND ISSUE) Date : 10-Jul-1996 Mode : VIEW
 Reason: 0 AML, 1 AUD, 0 CMIS, 0 FORF, 0 STATE, 0 NRSP VIOLATION(S)

OSMRE : C (COND ISSUE) Date : 10-Jul-1996 Mode : VIEW
 Reason: Condition is based on the Pittston injunction against OSM blocking
 their companies permits. cc

SRA : Date : 10-Jul-1996 Mode : UPDATE
 Reason:

SAVE(F5) DELETE(F8)
 PRV_SCR(F3) QUIT(F4) CHOICES(F10)

■ avsdg

16 58

State : UT Permit No : ACT007004 Appl No : ACT007004
 Permittee : 140995(AMAX COAL HOLDING CO) Seqno : 6
 Applicant : 140995(AMAX COAL HOLDING CO)

SYSTEM : C (COND ISSUE) Date : 10-Jul-1996 Mode : VIEW
 Reason: 0 AML, 1 AUD, 0 CMIS, 0 FORF, 0 STATE, 0 NRSP VIOLATION(S)

OSMRE : C (COND ISSUE) Date : 10-Jul-1996 Mode : VIEW
 Reason: Condition is based on the Pittston injunction against OSM blocking
 their companies permits. cc

SRA : Date : 10-Jul-1996 Mode : UPDATE
 Reason:

SAVE(F5) DELETE(F8)
 PRV_SCR(F3) QUIT(F4) CHOICES(F10)

■ avsdg

16:58

State : UT Permit No : ACT007004 Appl No : ACT007004
 Permittee : 140995(AMAX COAL HOLDING CO) Seqno : 6
 Applicant : 140995(AMAX COAL HOLDING CO)

SYSTEM : C (COND ISSUE) Date : 10-Jul-1996 Mode : VIEW

State : UT Permit No : ACT007004
 Applicant : 060125(AMAX COAL CO)

Appl No : ACT007004
 Seqno : 5

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION : COND ISSUE 07/03/96
 PREVIOUS SYSTEM RECOMMENDATION : COND ISSUE 07/02/96

Records retrieved : 5

ST	PERMIT	RP ID	SEQ	VTTYPE	VIOLNO	VIOLDATE
VA	440558601S	107970	0	AML		06/30/81
VA	440558601S	107970	0	AML		09/30/81
VA	440558601S	107970	0	AML		12/31/81
VA	440558601S	107970	0	AML		03/31/82
WV	U306686	105558	0	AUD	940121110	10/01/92

RCM_MNT(F7) PERMIT/APPL(F8) REPORTS(F9)
 PRV_SCR(F3) VIOL(F4) EVOFT(F5) VOFT(F6) CHOICES(F10)

avsdg

08 26

State : UT Permit No : ACT007004
 Applicant : 060125(AMAX COAL CO)

Appl No : ACT007004
 Seqno : 5

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION : COND ISSUE 07/03/96
 PREVIOUS SYSTEM RECOMMENDATION : COND ISSUE 07/02/96

Records retrieved : 5

ST	PERMIT	RP ID	SEQ	VTTYPE	VIOLNO	VIOLDATE
VA	440558601S	107970	0	AML		06/30/81
VA	440558601S	107970	0	AML		09/30/81
VA	440558601S	107970	0	AML		12/31/81
VA	440558601S	107970	0	AML		03/31/82
WV	U306686	105558	0	AUD	940121110	10/01/92

RCM_MNT(F7) PERMIT/APPL(F8) REPORTS(F9)
 PRV_SCR(F3) VIOL(F4) EVOFT(F5) VOFT(F6) CHOICES(F10)

avsdg

08 26

State :	Permit No :	Appl No :
Applicant : 140995 (AMAX COAL HOLDING CO)		Seqno :

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION : COND ISSUE 07/03/96
 PREVIOUS SYSTEM RECOMMENDATION :

Records retrieved : 5

ST	PERMIT	RP ID	SEQ	VTTYPE	VIOLNO	VIOLDATE
VA	440558601S	107970	0	AML		06/30/81
VA	440558601S	107970	0	AML		09/30/81
VA	440558601S	107970	0	AML		12/31/81
VA	440558601S	107970	0	AML		03/31/82
WV	U306686	105558	0	AUD	940121110	10/01/92

REPORTS (F9)

PRV_SCR (F3) VIOL (F4) EVOFT (F5) VOFT (F6) CHOICES (F10)

■ avsdg

08:27

State :	Permit No :	Appl No :
Applicant : 060125(AMAX COAL CO)		Seqno :

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT
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SYSTEM RECOMMENDATION	: COND ISSUE	07/03/96
PREVIOUS SYSTEM RECOMMENDATION	: DENY	02/06/96

Records retrieved : 5

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VA	440558601S	107970	0	AML		09/30/81
VA	440558601S	107970	0	AML		12/31/81
VA	440558601S	107970	0	AML		03/31/82
WV	U306686	105558	0	AUD	940121110	10/01/92

REPORTS (F9)

PRV_SCR (F3) VIOL (F4) EVOFT (F5) VOFT (F6) CHOICES (F10)

■ avsdg

08 30

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and that the first publication was on the 30th day of April, 1996 and that the last publication of such notice was in the issue of such newspaper dated the 30th day of April, 1996.

Kevin Ashby
Kevin Ashby - Publisher

Subscribed and sworn to before me this 30th day of April, 1996.

Linda Thayne
Notary Public My commission expires January 10, 1999 Residing at Price, Utah

Publication fee, \$62.81

**NOTICE OF APPLICATION
FOR TRANSFER OF A PERMIT
Amax Coal Holding Company**

Notice is hereby given that Amax Coal Holding Company, 9100 East Mineral Circle, Englewood, Colorado 80112-3299, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas & Mining for transfer of Permit ACT/007/004 to operate under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-300 of the Utah Coal Program Regulations. The present permittee under the permit is Amax Coal Company. The permit area is located in Carbon County, Utah as follows:

Township 12, Range 9 East, SLBM - Portions of SE $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{2}$, SE $\frac{1}{4}$ and SW $\frac{1}{4}$, SE $\frac{1}{2}$ of Section 22; Section 26 all except for E $\frac{1}{2}$, E $\frac{1}{4}$; Section 27; Section 28; Section 29 all except N $\frac{1}{2}$, NW $\frac{1}{4}$, and NW $\frac{1}{2}$, NE $\frac{1}{4}$; Section 30 all except N $\frac{1}{2}$, N $\frac{1}{4}$; Section 31; Section 32; Section 33; Section 34; portions of N $\frac{1}{4}$, W $\frac{1}{2}$, SW $\frac{1}{4}$, and E $\frac{1}{2}$, SE $\frac{1}{4}$ of Section 35; S $\frac{1}{2}$, NW $\frac{1}{4}$ and portions of SW $\frac{1}{4}$, SE $\frac{1}{4}$ and NE $\frac{1}{4}$ of Section 36.

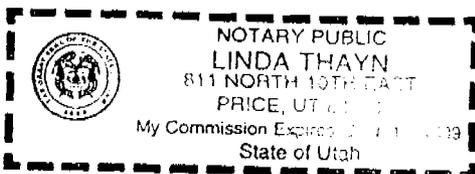
Township 13 South, Range 9 East, SLBM - Portions of the N $\frac{1}{2}$, NW $\frac{1}{4}$ of Section 1; portions of NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 2; NW $\frac{1}{4}$ and portions of NE $\frac{1}{4}$, SE $\frac{1}{4}$, and SW $\frac{1}{4}$ of Section 3; N $\frac{1}{2}$ and portions of SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 4; NE $\frac{1}{4}$ and portions of NW $\frac{1}{4}$, SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 5; N $\frac{1}{2}$ and portions SW $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 6; portion of NE $\frac{1}{4}$ of Section 8; portions of NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 9; portions of NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 10.

The Willow Creek Refuse Removal area is located in Carbon County, Utah: SW $\frac{1}{4}$ of Section 31, Township 12 South, Range 10 East; NW $\frac{1}{4}$ of Section 6, Township 13 South, Range 10 East; NE $\frac{1}{4}$ of Section 1, Township 13 South, Range 9 East.

The permit area is shown on the following U.S. Geological Survey 7.5-minute maps: Standardville, Kyune, Matt's Summit, Helper, and Deadman Canyon.

Any person having an interest which is or may be adversely affected by a decision on the transfer, assignment or sale of the permit rights, including an official of any federal, state or local government agency, may submit written comments within thirty (30) days of the date of this publication to:

Utah Department of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Published in the Sun Advocate April 30, 1996.



Bond Number 929 80 55
Permit Number ACT7007/004
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.

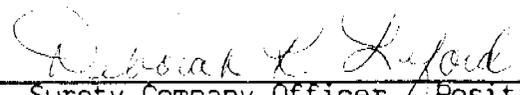
NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

CASTLE GATE COAL COMPANY
Principal (Company)

By 
Company Officer - Position
William R. Wahl - President

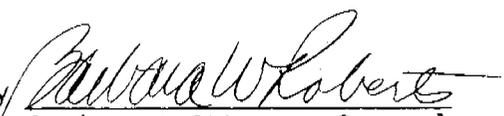
Date: 1/31/86

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, 1986.

Sandra Kay Berge
Notary Public

My Commission Expires:

2 17, 1989

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, 19 85



NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

J. E. Purtell

J. E. Purtell

Vice President.

State of Illinois, County of Cook, ss:

On this 13th day of May, 19 85, 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.



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, 19 86.



M. C. Vonnahme

M. C. Vonnahme

Assistant Secretary.



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*In final to frequency
copy to ACT/007/004 #4*

Permit No. ACT/007/004
Mine Name - Castle Gate Mi

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
Two Million Six Hundred Eighty Three Thousand
Six Hundred Three & no/100 DOLLARS, on behalf of Castle Gate Coal Company

in the amount of

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 from the above to:
Amax Coal Company

and

The penal sum of the bond is hereby amended from the above to:
Four Million Four Hundred Fifteen Thousand Five Hundred Five
and No/100----(\$4,415,505.00)

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 3rd day of October 1994

Signed, sealed and dated this 3rd day of October 19 94

Amax Coal Company (Principal)

By: Farouk H. Hakimi
F.S. Hakimi, Asst. Treasurer

National Fire Insurance Company of Hartford (Surety)

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

Accepted By:
James W. Carter
Director

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.

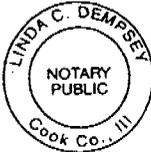


NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

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

3rd day of October, 1994



George R. Hobaugh, Assistant Secretary

Rider

This rider attaches to and is made part of Bond No. 9298055 issued by National Fire Insurance Company of Hartford, as surety on behalf of Castle Gate Coal Company, principal, in favor of State of Utah, Division of Oil, Gas and Mining, and the U.S. Department of the Interior, Office of Surface Mining, obligee, and dated the 31st day of January, 1986.

It is understood and agreed that the named principal is amended to Amax Coal Company.

Signed, sealed and dated this 28th day of February, 1991.

National Fire Insurance
Company of Hartford
(Surety)

By: Antoinette Loggia
Antoinette Loggia
Attorney-in-fact

RECEIVED

MAR 18 1991

DIVISION OF
OIL GAS & MINING

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 John H. Wehner, Liliane S. Dammond, Antoinette Loggia, Paul M. Adams, Individually

of New York, New York

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 19th day of April, 1989

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



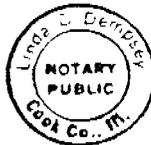
J. E. Purter

J. E. Purter

Vice President

State of Illinois, County of Cook, ss

On this 19th day of April, 1989, before me personally came J. E. Purter, 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.



Linda C. Dempse, Notary Public
My Commission Expires November 12, 1990

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 28 day of February, 1991



George R. Hobaugh, Assistant Secretary



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 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.

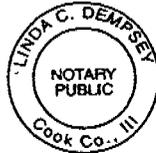
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



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.

Revised October 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

Permit Number: ACT/007/004

SURETY BOND
(FEDERAL COAL)
--ooOOoo--

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 (\$ 2,559,000.00-----) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND shall 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 received or action alleging to insolvency or bankruptcy of the SURETY, or alleging any violations or regulatory requirements which could result in suspension or revocation of the SURETY's license.

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".

Revised October 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

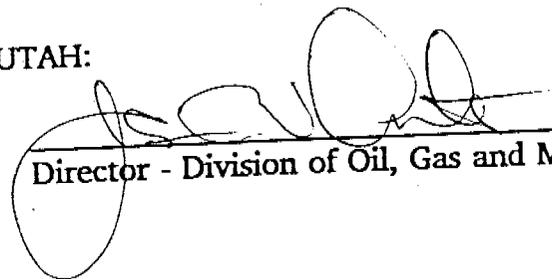
IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 12th day of September, 19 95.

Amax Coal Company
PERMITTEE
By: Frank J. Wood
Title: Vice President

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal this
12th day of September, 19 95.

St. Paul Fire and Marine Insurance Company
SURETY
By: Wendy W. Stuckey
Title: Wendy W. Stuckey, Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH:


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.

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: Denise R. Danner

Attest:

[Signature]

St. Paul Fire and Marine Insurance Company

By: Wendy W. Stuckey

Attorney-in-Fact

CERTIFIED COPY NO. F-13338

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

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 B. KEEGAN, Secretary



STATE OF NEW JERSEY } ss.
County of Somerset

On this 5th day of May, 19 95, 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, 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, 19 96

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.

A handwritten signature in cursive script, appearing to read "Gerald J. Malys", is written over a horizontal line.

Gerald J. Malys
Senior Vice President and
Chief Financial Officer

CNA INSURANCE COMPANIES

CNA Plaza, Chicago, IL 60685

INCREASE — DECREASE RIDER

To be attached to and made a part of Bond No. 929 80 55, issued by the National Fire Insurance Company of Hartford, (hereinafter called the Surety), on behalf of Amax Coal Company, (hereinafter called the Principal), in favor of State of Utah, Division of Oil, Gas and Mining, and the U.S. Department of the Interior, (hereinafter called the Oblige), and dated the 31st day of January, 19 86.

In consideration of the premium charged for the attached bond and other good and valuable consideration it is understood and agreed that effective the 6th day of February, 19 96 and subject to all the terms, conditions and limitations of the attached bond, the penal sum thereof shall be and the same is hereby (increased) ~~(XXXXXXX)~~ from the sum of Five Hundred Five and No/100 Dollars, Four Million Four Hundred Fifteen Thousand Six Million Seven Hundred Fifty Seven Thousand (\$4,415,505.00), to the sum of Four Hundred Fifty One and No/100 Dollars, (\$6,757,451.00).

It is further understood and agreed that subject to all the terms, conditions and limitations of the attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the sum of Four Million Four Hundred Fifteen Thousand Five Hundred Five and No/100 Dollars, (\$4,415,505.00), or for any loss occurring subsequent to said date shall not exceed the sum of Six Million Seven Hundred Fifty Seven Thousand Four Hundred Fifty One and No/100 Dollars, (\$6,757,451.00). In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it being the intent hereof to preclude cumulative liability.

Signed, sealed and dated this 6th day of February, 19 96.

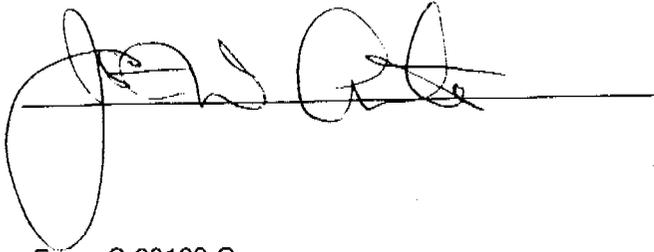
The above is hereby agreed to and accepted:

Amax Coal Company (Principal)

By: Frank J. Wood

National Fire Insurance Company of Hartford (Surety)

By: Wendy W. Stuckey
Wendy W. Stuckey (Attorney-in-Fact)



Form G-23169-C



For All the Commitments You Make



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

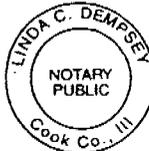


M. C. Vonnahme Group Vice President.

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
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 February, 1996.



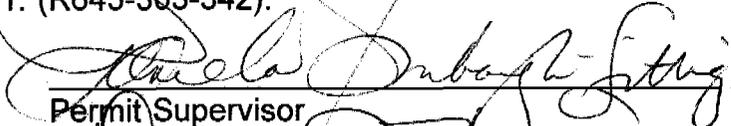
George R. Hobaugh
George R. Hobaugh, Assistant Secretary.

FINDINGS

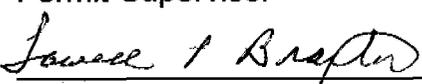
Amax Coal Holding Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

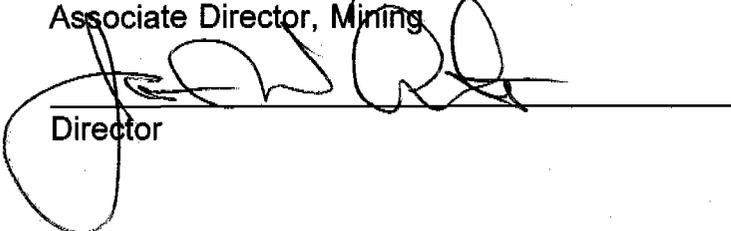
July 2, 1996

1. Division records and the results of the 510 (c) clearance check, show that neither Amax Coal Company, Amax Coal Holding Company or any affiliates control or have controlled coal mining and reclamation operations with a demonstrated pattern of willful violation of the Act of such nature and duration and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the Act.
2. The Division has determined that the application for transfer of permit rights is accurate and complete, and complies with the requirements of R645-300-133.100.
3. The applicant has the legal right to enter and begin coal mining activities at the Castle Gate Mine. (R645-301-114)
4. Amax Coal Company and Amax Coal Holding Company have paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. (R645-300-133.730)
5. Procedures for public participation have complied with the requirements of the Act and the Utah State Program. Notice was published in the Price Sun Advocate on April 30, 1996 as required by R645-303-322.
6. The applicant has obtained a performance bond equivalent to the bonding requirements of the existing permit, in the amount of \$9,316,451. (R645-303-342).


Permit Supervisor


Permit Supervisor


Associate Director, Mining


Director