



RAG American Coal Holding, Inc.

**Mary Wong**  
Risk Manager

Original to Fireproof  
CC: 00070004

July 10, 2003

Ms. Pamela Grubaugh-Littig  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Re: Principal: Castle Gate Holding Company  
Bond No: 103198931-148, KA2990-148, & 210067-148  
Amount: \$680,154  
Permit No.: C/007/004-BR02A & BR02B

Dear Ms. Pamela:

Please find attached captioned original decrease riders in the total amount of \$680,154. These riders will decrease the original bond amount from \$1,071,000.00 to \$680,154.

Trust you will find all to be in good order. If you should have any questions or need additional information, please do not hesitate to contact me at (410) 689-7557.

Sincerely,

Enclosure

CC: Johnny Pappas

RECEIVED

JUL 15 2003

DIV. OF OIL, GAS & MINING

**R I D E R**

To be attached to and form part of:

Bond Number 210067-148  
dated 7/1/00  
issued by the NATIONAL UNION FIRE INSURANCE COMPANY OF  
PITTSBURGH, PA.

in the amount of \$ 601,333.00  
on behalf of CASTLE GATE HOLDING COMPANY  
(Principal)

and in favor of STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND  
THE U.S. DEPARTMENT OF THE INTERIOR, OFFICE OF SURFACE  
MINING RECLAMATION AND ENFORCEMENT  
(Obligee)

Now therefore, it is agreed that in consideration of the premium charged, the attached bond shall be amended as follows:

**The bond amount shall be amended:**

**FROM: \$357,000.00**

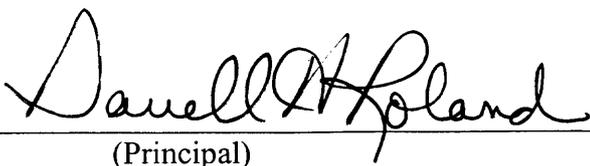
**TO: \$226,718.00**

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

This Rider is to be Effective this 30th day of May, 2003.

Signed, Sealed & Dated this 8th day of July, 2003.

CASTLE GATE HOLDING COMPANY

By:   
(Principal)

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA  
(Surety)

By:   
Susan A. Welsh, Attorney-in-Fact

**The Insurance Company of the State of Pennsylvania**

Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

**POWER OF ATTORNEY**

No. 0 2-B-08281

**KNOW ALL MEN BY THESE PRESENTS:**

That The Insurance Company of the State of Pennsylvania, a Pennsylvania corporation, does hereby appoint

**---Geoffrey E. Heekin, Robert E. Duncan, James A. Cuthbertson, Thomas J. Joslin, Susan A. Welsh, Susan J. Preiksa, Sandra Martinez, Kathleen J. Mailes, Linda Iser, Karen Daniel, Craig T. Tagliamonte, Marcia K. Cesasky, Daniel R. Smith, Deborah Halper, Joellen M. Mendoza: of Chicago, Illinois---**

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the company thereby.

**IN WITNESS WHEREOF**, The Insurance Company of the State of Pennsylvania has executed these presents



this 15th day of October, 2002.

*Michael C. Fay*  
Michael C. Fay, Vice President

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.

On this 15th day of October, 2002 before me came the above named officer of The Insurance Company of the State of Pennsylvania, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of said corporation thereto by authority of his office.

*Dorothy L. Parker*

DOROTHY L. PARKER  
Notary Public, State of New York  
No. 01PA606631  
Qualified in Richmond County  
Commission Expires June 25, 2003

**CERTIFICATE**

Excerpts of Resolution adopted by the Board of Directors of The Insurance Company of the State of Pennsylvania, on May 18, 1976:

**"RESOLVED**, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

**"RESOLVED**, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to 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 when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

**"RESOLVED**, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of The Insurance Company of the State of Pennsylvania, do hereby certify that the foregoing excerpts of Resolution adopted by the Board of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Power of Attorney are in full force and effect.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the facsimile seal of the corporation

this 8th day of July, 2003

*Elizabeth M. Tuck*  
Elizabeth M. Tuck, Secretary



ACKNOWLEDGEMENT BY SURETY

STATE OF ILLINOIS  
COUNTY OF COOK

On this 8th day of July, 2003, before me, Jennifer L. Jakaitis, a Notary Public, within and for said County and State, personally appeared Susan A. Welsh to me personally known to be the Attorney-in-Fact of and for The Insurance Company of the State of Pennsylvania and acknowledged that she executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public in the State of Illinois  
County of Cook



**RIDER**

To be attached to and form part of:

Bond Number 103198931-148  
dated 7/1/00  
issued by the TRAVELERS CASUALTY AND SURETY COMPANY  
in the amount of \$ 601,334.00  
on behalf of CASTLE GATE HOLDING COMPANY  
(Principal)  
and in favor of STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND  
THE U.S. DEPARTMENT OF THE INTERIOR, OFFICE OF SURFACE  
MINING RECLAMATION AND ENFORCEMENT  
(Obligee)

Now therefore, it is agreed that in consideration of the premium charged, the attached bond shall be amended as follows:

**The bond amount shall be amended:**

**FROM: \$357,000.00**

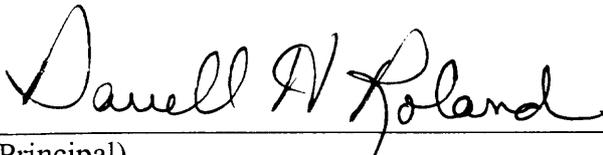
**TO: \$226,718.00**

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

This Rider is to be Effective this 30th day of May, 2003.

Signed, Sealed & Dated this 8th day of July, 2003.

CASTLE GATE HOLDING COMPANY

By:   
(Principal)

TRAVELERS CASUALTY AND SURETY COMPANY

(Surety)

By:   
Susan A. Welsh, Attorney-in-Fact

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
TRAVELERS CASUALTY AND SURETY COMPANY  
FARMINGTON CASUALTY COMPANY  
Hartford, Connecticut 06183-9062**

**POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT**

**KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Thomas J. Joslin, James A. Cuthbertson, Karen Daniel, Kathleen J. Mailes, Linda Iser, Sandra Martinez, Susan A. Welsh, Susan J. Preiksa, Geoffrey E. Heekin, Robert E. Duncan, Patricia Thurmond, Jennifer L. Jakaitis, Marcia K. Cesafsky, Deborah L. Halper, Daniel R. Smith, of Chicago/Glenview, Illinois, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.**

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

**This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:**

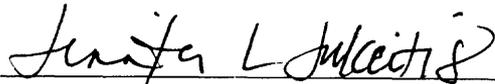
VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature 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.

ACKNOWLEDGEMENT BY SURETY

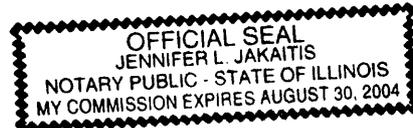
STATE OF ILLINOIS  
COUNTY OF COOK

On this 8th day of July, 2003, before me, Jennifer L. Jakaitis, a Notary Public, within and for said County and State, personally appeared Susan A. Welsh to me personally known to be the Attorney-in-Fact of and for Travelers Casualty and Surety Company and acknowledged that she executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.



Notary Public in the State of Illinois  
County of Cook



**R I D E R**

To be attached to and form part of:

Bond Number KA2990-148  
dated 7/1/00  
issued by the ST. PAUL FIRE AND MARINE INSURANCE COMPANY  
in the amount of \$ 601,333.00  
on behalf of CASTLE GATE HOLDING COMPANY  
(Principal)

and in favor of STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND THE  
U.S. DEPARTMENT OF THE INTERIOR, OFFICE OF SURFACE  
MINING RECLAMATION AND ENFORCEMENT  
(Obligee)

Now therefore, it is agreed that in consideration of the premium charged, the attached bond shall be amended as follows:

**The bond amount shall be amended:**

**FROM: \$357,000.00**

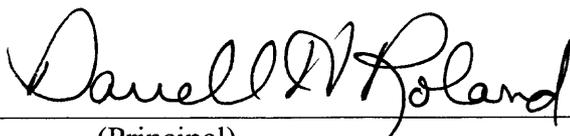
**TO: \$226,718.00**

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

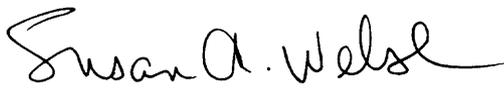
This Rider is to be Effective this 30<sup>th</sup> day of May, 2003.

Signed, Sealed & Dated this 8th day of July, 2003.

CASTLE GATE HOLDING COMPANY

By:   
(Principal)

ST. PAUL FIRE AND MARINE INSURANCE COMPANY  
(Surety)

By:   
Susan A. Welsh, Attorney-in-Fact

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 23548

Certificate No. 1504854

**KNOW ALL MEN BY THESE PRESENTS:** That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

James A. Cuthbertson, Susan A. Welsh, Susan J. Preiksa, Sandra Martinez, Kathleen J. Mailes, Linda Iser, Karen Daniel, Robert E. Duncan, Patricia Thurmond, Geoffrey E. Heekin, Deborah Halper, Marcia K. Cesafsky, Daniel R. Smith, and Joellen M. Mendoza

of the City of Chicago, State Illinois, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 27<sup>th</sup> day of September, 2002.

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.



PETER W. CARMAN, Vice President

THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland  
City of Baltimore

On this 27<sup>th</sup> day of September, 2002, before me, the undersigned officer, personally appeared Peter W. Carman and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 1st day of July, 2006.



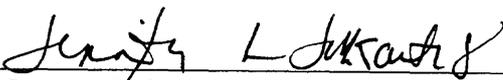
REBECCA EASLEY-ONOKALA, Notary Public

ACKNOWLEDGEMENT BY SURETY

STATE OF ILLINOIS  
COUNTY OF COOK

On this 8th day of July, 2003, before me, Jennifer L. Jakaitis, a Notary Public, within and for said County and State, personally appeared Susan A. Welsh to me personally known to be the Attorney-in-Fact of and for St. Paul Fire and Marine Insurance Company and acknowledged that she executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public in the State of Illinois  
County of Cook

