

0009

Document Information Form

Mine Number: C1007/005

File Name: Incoming

To: DOGM

From:

Person N/A

Company STATE OF UTAH

Date Sent: N/A

Explanation:

BOND

cc:

File in:
C1007.005, Incoming

- Refer to:
- Confidential
 - Shelf
 - Expandable

Date _____ For additional information

MR FORM 5

(Revised August 1985)
(Federal)

Bond Number U605244-13
Permit Number UT-0003 (OSM Reference No.)
Mine Name Skyline Project

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

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Skyline Coal Company, formerly Getty Mineral Company as principal, and United Pacific Insurance Company 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 Three Hundred Seventy Four Thousand Five Hundred and no/100 dollars (\$ 374,500.00). 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 _____ day of _____, 19____, that _____ 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 according to _____ work, then this bond may _____ of the surety company.

The Division is noncancellable and limited to a period of _____
Refer to Record No. 0008 Date _____
In C/ 007, 005, Incoming
For additional information _____

_____ a surety company if the bond is _____ by reason including, but not _____ of the permittee during the _____

MR FORM 5

(Revised August 1985)
(Federal)

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Permit Number UT-0003 (OSM Reference No.)
Mine Name Skyline Project

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

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Coastal States Energy Company, for itself and in behalf of Skyline Coal Company, formerly Getty Mineral Company as principal, and United Pacific Insurance Company 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 Three Hundred Seventy Four Thousand Five Hundred and no/100 dollars (\$ 374,500.00-----). 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 _____ day of _____, 19____, that _____ 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.



Coastal States Energy Company and Skyline Coal Company, Formerly Getty Mineral Company
Principal (Company)

By Coby C. Hesse
Company Officer - Position
Coby C. Hesse, Vice President

Date: November 21, 1989

United Pacific Insurance Company
Surety (Company)

By Elsa Alvarez
Surety Company Officer - Position
Elsa Alvarez - Attorney-in-Fact

DATE: November 14, 1989

APPROVED AS TO FORM:

COUNTERSIGNED BY:

Cal Heiner
Cal Heiner Utah Resident Agent

By Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

Elsa Alvarez, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) agent 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) Elsa Alvarez Attorney-in-Fact
Surety Company Officer Position
Elsa Alvarez

Subscribed and sworn to before me this 14th day of November, 19 89.

Reed K. ...
Notary Public

My Commission Expires:

May 30, 19 90.

UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, FEDERAL WAY, WASHINGTON

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Washington, does hereby make, constitute and appoint William N. Burke, James H. Guild, Mary Averitt, Thomas L. Nygren, Mary C. Jones, Cynthia A. Franze and Elsa Alvarez, individually, of Houston, Texas

its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of Suretyship, _____

and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

The Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

ARTICLE VII — EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorneys-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

The power of attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved, that the signature of such directors and 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 WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed, this 12th day of July, 1989.

STATE OF Pennsylvania ss.
COUNTY OF Philadelphia



UNITED PACIFIC INSURANCE COMPANY

Vice President

On this 12th day of July, 1989, personally appeared Raymond MacNeil

to me known to be the Vice-President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said company and the Resolution, set forth therein, are still in full force.

My Commission Expires:
February 1, 1993



Patricia A. Cherry
Notary Public in and for State of Pennsylvania
Residing at Philadelphia

I, P. D. Crossetta, Assistant Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 14th day of November, 1989



Assistant Secretary