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JUN 14 1990

- 1 RELIANCE INSURANCE COMPANY
Home Office — Philadelphia, Pennsylvania
Administrative Offices — Philadelphia, Pennsylvania
- 6 UNITED PACIFIC INSURANCE COMPANY
Home Office — Tacoma, Washington
Administrative Offices — Philadelphia, Pennsylvania

INCREASE/DECREASE RIDER

To be attached to and form part of Federal Coal , BOND NO. U605244-6 issued by the
 Surety on behalf of Coastal States Energy Company as principal
 in favor of The State of Utah said bond having been issued in
 the amount of Two Million Two Hundred Twenty Five DOLLARS (\$ 2,225,000)
 effective from the 15th day of March 19 90 Thousand

It is hereby understood and agreed the amount of the aforesaid bond is hereby increased/~~decreased~~
 from Two Million Two Hundred Twenty Five Thousand DOLLARS (\$ 2,225,000).
 to Two Million Six Hundred Fifty Two Thousand DOLLARS (\$ 2,652,000).
 effective as of the 31st day of May 1990.

Provided, however, the liability of the Surety for defaults occurring
 prior to the 31st day of May 19 90 shall not exceed
 Two Million Two Hundred Twenty Five Thousand--- DOLLARS (\$ 2,225,000).
 and the liability for defaults occurring after said date shall not exceed
 Two Million Six Hundred Fifty Two Thousand----- DOLLARS (\$ 2,652,000).
 and the total liability of the Surety shall in no event exceed
 Two Million Six Hundred Fifty Two Thousand----- DOLLARS (\$ 2,652,000).

Signed, sealed and dated this 31st day of May 1990



Coastal States Energy Company
 By Jeffrey A. Connelly
 Jeffrey A. Connelly Vice President PRINCIPAL
 United Pacific Insurance Company
 By Elsa Alvarez
 Elsa Alvarez ATTORNEY-IN-FACT

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

Bond No. U605244-6

This bond replaces United Pacific
bond #U605244-13 and The Travelers
bond #029-900G029-2.

Permit Number ACT/007/005
Expiration Date April 30, 1992

(FEDERAL COAL)
SURETY BOND
--oo00oo--

THIS SURETY BOND entered into and by and between the undersigned OPERATOR, 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 (OSMRE) in the penal sum of (\$ 2,225,000.00-----) (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 applicable rules and the OPERATOR's reclamation obligation have been met and released by the DIVISION.

The SURETY shall not cancel this bond at any time for any reason including non-payment of premium or bankruptcy of the OPERATOR 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 OSMRE from any and all expenses which the DIVISION and OSMRE may sustain as a result of the OPERATOR's failure to comply with the condition(s) of the obligation.

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

The SURETY will give prompt notice to the OPERATOR and to the DIVISION and OSMRE 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 OPERATOR in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

IN WITNESS WHEREOF the OPERATOR has hereunto set its signature and seal this 15th day of March, 19 90.



Coastal States Energy Company
OPERATOR

By: Coby C. Hesse



Title: Coby C. Hesse, Vice President

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal this 15th day of March, 19 90.

United Pacific Insurance Company
SURETY

By: Elsa Alvarez
Elsa Alvarez

Title: Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH:

Dwain R. Nielson
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 OPERATOR is a corporation, the Agreement shall be executed by its duly authorized officer.

Cal Heiner
Cal Heiner
Utah Resident Agent

