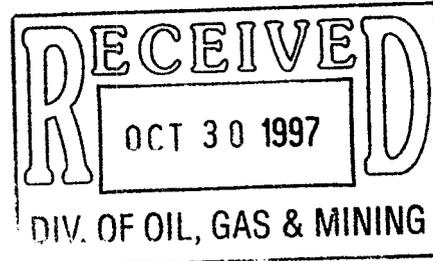


0015

Canyon Fuel Company, LLC  
6955 Union Park Center, Suite 540  
Midvale, Utah 84047  
Fax: 801 569 4799  
801 569 4706



October 28, 1997



Lowell P. Braxton  
Acting Director  
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: Reclamation Bond Rider Submittal, Skyline Mine, ACT/007/005**

*Lowell*  
Dear ~~Mr.~~ Braxton:

*Fireproof file*  
*Copy #4*  
*and PAM*

Pursuant your October 3, 1997 letter to Dan Meadors, please find enclosed an executed original bond surety rider for Skyline increasing the amount of bond #U2760729 from \$3,180,000 to \$5,076,000.

Your very truly,

Kerry A. Frame  
Manager of Planning

KAF/pf

cc: w/attachment  
Julia Fisher  
Dan Meadors  
Rick Parkins  
Gary Taylor

**SURETY RIDER**

To be attached to and form a part of

Type of Bond: Federal Coal Bond

Bond No.: U2760729

Executed By: Canyon Fuel Company, LLC

And By: United Pacific Insurance Company

In Favor Of: State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining; U.S. Department of the Interior, Office of Surface Mining

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to amending the following:

Penal Sum of Bond

From: Three Million One Hundred Eighty Thousand and 00/100 Dollars (\$3,180,000.00)

To: Five Million Seventy Six Thousand and 00/100 Dollars (\$5,076,000.00)

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective October 23, 1997

Signed and Sealed October 23, 1997

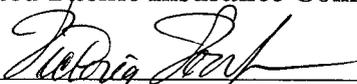
PRINCIPAL:

**Canyon Fuel Company, LLC**

By: 

SURETY:

**United Pacific Insurance Company**

By:   
Victoria Voorhees, Attorney-in-Fact

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California  
County of Los Angeles

On October 21, 1997 before me, Kathy R. Mair, Notary Public  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"  
personally appeared Victoria Voorhees  
NAME(S) OF SIGNER(S)

personally know to me - OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Kathy R. Mair  
SIGNATURE OF NOTARY

## OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

### CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL  
 CORPORATE OFFICER

TITLE(S)

- PARTNER(S)  LIMITED  
 GENERAL  
 ATTORNEY-IN-FACT  
 TRUSTEE(S)  
 GUARDIAN/CONSERVATOR  
 OTHER: \_\_\_\_\_

### SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

### DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

RELIANCE SURETY COMPANY  
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Victoria Voorhees, of Los Angeles, California their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies 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 Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY 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 Attorney(s)-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(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute 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. Attorney(s)-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.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates 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 Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this January 6, 1997.

RELIANCE SURETY COMPANY  
RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE COMPANY  
RELIANCE NATIONAL INDEMNITY COMPANY

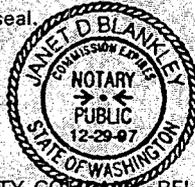


*Mark W. Alsop*

STATE OF Washington }  
COUNTY OF King } ss.

On this, January 6, 1997, before me, Janet Blankley, personally appeared Mark W. Alsop, who acknowledged himself to be the Vice President of the Reliance Surety Company, Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.



*Janet D. Blankley*  
Notary Public in and for the State of Washington  
Residing at Puyallup

I, Robyn Layng, Assistant Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 21st day of October 1997.



*Robyn Layng*  
Assistant Secretary